



**Nottingham City Council
Executive Board**

Date: Tuesday, 24 May 2022

Time: 2.00 pm

Place: Ground Floor Committee Room - Loxley House, Station Street, Nottingham,
NG2 3NG

Councillors are requested to attend the above meeting to transact the following business

Director for Legal and Governance

Governance Officer: Adrian Mann, Governance Officer **Direct Dial:** 0115 8764468

Agenda	Pages
1 Apologies for Absence	
2 Declarations of Interests	
3 Minutes Minutes of the meeting held on 28 April 2022, for confirmation	3 - 10
4 Proposal for a Scheme of Selective Licensing for Private Rented Houses - Key Decision Report of the Portfolio Holder for Housing and HR	11 - 210
5 Extension to property acquisitions budget - Key Decision Report of the Portfolio Holder for Housing and HR	211 - 216
6 Implementation of Safety Improvements to NCC properties - Key Decisions Report of the Portfolio Holder for Housing and HR	217 - 254
7 Nottingham Central Library - Key Decision Report of the Portfolio Holder for Strategic Regeneration and Communications	255 - 284
8 Future Meeting Dates To agree to meet on the following Tuesdays at 2pm:	

21 June 2022
19 July 2022
20 September 2022
18 October 2022
22 November 2022
20 December 2022
17 January 2023
21 February 2023
21 March 2023
18 April 2023

9 Exclusion of the Public

To consider excluding the public from the meeting during consideration of the remaining items in accordance with Section 100A of the Local Government Act 1972, under Schedule 12A, Part 1, Paragraph[s] [x], on the basis that, having regard to all the circumstances, the public interest in maintaining an exemption outweighs the public interest in disclosing the information

10 Nottingham Central Library - Exempt Appendices

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Report of the Portfolio Holder for Strategic Regeneration and Communications

All items listed 'under exclusion of the public' will be heard in private for the reasons listed in the agenda papers. They have been included on the agenda as no representations against hearing the items in private were received

If you need any advice on declaring an interest in any item on the agenda, please contact the governance officer shown above, if possible before the day of the meeting

Citizens attending meetings are asked to arrive at least 15 minutes before the start of the meeting to be issued with visitor badges

Citizens are advised that this meeting may be recorded by members of the public. Any recording or reporting on this meeting should take place in accordance with the council's policy on recording and reporting on public meetings, which is available at www.nottinghamcity.gov.uk. Individuals intending to record the meeting are asked to notify the governance officer shown above in advance.

Nottingham City Council

Executive Board

Minutes of the meeting held in the Tea Room, at the Council House on 28 April 2022 from 3.15 pm - 3.46 pm

Membership

Present

Councillor David Mellen (Chair)
Councillor Sally Longford (Vice Chair)
Councillor Neghat Khan
Councillor Adele Williams
Councillor Sam Webster
Councillor Kevin Clarke
Councillor Andrew Rule

Absent

Councillor Cheryl Barnard
Councillor Eunice Campbell-Clark
Councillor Rosemary Healy
Councillor Linda Woodings

Colleagues, partners and others in attendance:

Nancy Barnard - Governance and Electoral Services Manager
Frank Jordan - Corporate Director for Resident Services
Sajeeda Rose - Corporate Director for Growth and City Development
Malcolm Townroe - Director of Legal and Governance
Catherine Underwood - Corporate Director for People
Mel Barrett - Chief Executive

Call-in

Unless stated otherwise, all decisions are subject to call-in. The last date for call-in is 10 May 2022. Decisions cannot be implemented until the working day after this date.

127 Apologies for Absence

Councillor Cheryl Barnard – Unwell
Councillor Eunice Campbell-Clark – Personal Reasons
Councillor Rosemary Healy – Leave
Councillor Rebecca Langton – Maternity Leave
Councillor Linda Woodings – Other Council Business

128 Declarations of Interests

None

129 Minutes

The non-exempt minutes of the meeting held on 22 March 2022 were agreed as a correct record and were signed by the Chair.

130 External Review of Housing Financial Management and Council Response

The Chair of the Board agreed that this item, although not on the original agenda, could be considered as a matter of urgency in accordance with Section 100B(4)(b) of the Local Government Act 1972, because the business cannot be deferred, as it outlines significant issues that have been identified relating the management of the Housing Revenue Account that require urgent and decisive action. The report outlines the proposed actions and controls that need to be put in place to address the issues that have been identified. There is also a need to provide timely assurance to all stakeholders including members, tenants, taxpayers, the Improvement and Assurance Board and government that the issues that have been identified are accepted by the Council and that appropriate action will be taken urgently to address them. Waiting until to the next scheduled Executive Board meeting in May will undermine that assurance and therefore the matter needs to be taken as urgent business.

The Board agreed to amend the published agenda order to take this item as the first substantive item.

In the absence of the Portfolio Holder for Housing Planning and Heritage, the Leader of the Council presented a report on the outcome of two external reviews of into management of the Housing Revenue Account (HRA) and the Council's response to those reviews. The following points were discussed:

- (a) Following the reporting at Full Council of money from the HRA being misattributed, two reports were commissioned from the Chartered Institute for Public Finance Accounting (CIPFA) and Richard Penn to establish whether there were any further issues to be addressed. The reports have identified further problems and the report identifies the Council's response to rectify matters and provide assurance to the Improvement and Assurance Board.
- (b) One response is to begin the process to bring Nottingham City Homes (NCH) in house. This is not unusual and many other local authorities have already made the decision to bring their housing services back under direct Council control. It is also in-keeping with the Council's ongoing wider review of Council-owned companies.
- (c) The Council is keen to ensure a smooth transition from NCH to the Council with good engagement with tenants and strengthened governance and Overview and Scrutiny arrangements. NCH staff will transfer to the Council.
- (d) Possible ongoing arrangements for the monitoring of HRA spend were put forwards and will form part of ongoing discussions.

Resolved to:

- (1) receive and note the Key Findings Report from Richard Penn following his independent investigation**
- (2) receive and note the further work undertaken by CIPFA (including appendices relating to workstreams A and B)**

- (3) note that the current organisational arrangements between the NCC and NCH do not provide officers sufficient assurance that the HRA ring fence can be adequately protected under existing arrangements, and in turn councillors have been unable to gain the required level of assurance in relation to the HRA ring fence**
- (4) authorise the Corporate Director of Finance and Resources and Section 151 Officer, following the receipt of further work from CIPFA outlined in the report, to seek a Ministerial Direction from government to repay in aggregate up to £40 million from the General Fund to the HRA (subject to any mitigations to reduce this sum)**
- (5) note the options and key lines of enquiry for funding the rectification of the breach to the HRA ring fence and to note that there will be an impact on the 2022/23 – 2025/26 MTFP which will be reported to Executive Board and/or Full Council in due course**
- (6) approve, the serving of a 12 months' Notice to Terminate on NCH in respect of its housing functions and to take over direct management of council housing from the expiry of that notice period or sooner by agreement**
- (7) note that there will be engagement with tenants and leaseholders to ensure a smooth transition and continuity of service about ongoing service provision. This will include how the voice of tenants will be heard by Nottingham City Council as the landlord after the service is brought under direct control**
- (8) authorise the Corporate Director of Growth and City Development to take such steps as may be necessary to deliver an effective transfer of housing management functions back to the Council, in consultation with the Portfolio Holder for Housing, Corporate Director of Finance and Resources and Section 151 Officer and Director of Legal and Governance and Monitoring Officer. This to include, amongst other things, arrangements for the protection of employment rights for NCH staff through TUPE transfer, arrangements for effective tenant and leaseholder engagement and empowerment in the decision making about services, and the transfer of relevant third party contracts and any other relevant arrangements as may be necessary to support an effective transition.**
- (9) authorise the Corporate Director of Growth and City Development to take such steps as may be necessary to affect such short term and practical arrangements in relation to the governance arrangements of NCH to facilitate an effective transition, in consultation with the Portfolio Holder for Housing, Corporate Director for Finance and Resources and Section 151 Officer, the Corporate Director of Resident Services (in their capacity as the shareholder representative for NCH) and Director for Legal and Governance and Monitoring Officer, including positive liaison with the NCH Board and effecting any changes that may be necessary to the Articles of Association of NCH and Board appointments**

- (10) delegate to the Corporate Director of Growth and City Development a provisional budget of £750,000 to deliver on the above recommendations from HRA funds, as a proper use of those funds, in consultation with the Portfolio Holder for Housing, Corporate Director for Finance and Resources and Section 151 Officer and Director for Legal and Governance and Monitoring Officer**
- (11) note that a report is brought back to Executive Board and subsequently to Full Council to identify arrangements for a greater level of councillor engagement in overview and scrutiny arrangements for policy development, priority setting and holding to account for performance in relation to housing management matters, following the return of management of the council's housing stock to the council**
- (12) note that the Overview and Scrutiny Committee will receive update reports to enable the implementation plan and consultation arrangements to be reviewed during the transition through the Council's scrutiny arrangements.**

- **Reasons for the decisions**

To ensure robust, swift and decisive action to address acts of unlawfulness in relation to breaches of the HRA ring fence by the Council including through its arrangements with NCH.

To provide timely assurance to all stakeholders including members, tenants, taxpayers, the Improvement and Assurance Board and government that the issues that have been identified are accepted by the Council and that appropriate action will be taken urgently to address them.

- **Other Options Considered**

An alternative approach would be to retain NCH as an Arms Length Management Organisation and to explore with its management the necessary improvements that the Council requires to be made. This approach has been rejected as the governance and financial controls are not fit for purpose. CIPFA have advised that they have seen no evidence from NCH of an appetite to ring-fence HRA funding and expenditure from its non-HRA activities, and moreover NCH considers that it has no obligation to ring fence HRA funds. Given the seriousness of the issue and gravity of the situation that the Council faces, in the light of evidence received this alternative approach is considered untenable and has been rejected.

131 Key Decision - Household Support Fund April - September 2022

In the absence of the Portfolio Holder for Leisure, Culture and Schools the Portfolio Holder for Finance and Resources presented a report on Nottingham City Council's allocation of £3,556,933 in the latest Household Support Fund (HSF), which aims to support citizens with rising household costs. The following points were discussed:

- (a) The allocation covers the period from April to September 2022 and must be divided between households with children and pensioner households with one third to be allocated at the discretion of the authority.
- (b) The Council has an established working group to make recommendations upon the allocation of funds and has previously funded supermarket vouchers, loans, foodbanks and energy vouchers.

Resolved to:

- (1) accept the £3,556,933 grant from the Government for HSF grant allocation and enter into any associated grant agreement with the Government**
- (2) approve that the existing working group will make recommendations about how the grant should be allocated and to take these recommendations to Leadership Group for consideration and agreement**
- (3) delegate authority to the Corporate Director for People to allocate the grant, in accordance with recommendation 2, which will be subject to the Council's Contract Procedure Rules and in accordance with the grant conditions from government**
- (4) approve the purchase of supermarket vouchers via the Crown Commercial framework.**

- **Reasons for decisions**

The HSF replaced the Covid Household Support Grant in 2021 and aims to provide those in need with financial support. The Department for Work and Pensions devolve this funding to Local Authorities as we are best placed to understand the needs of our citizens.

A working group was established in 2020 to look at how these grants could be allocated with representatives from Finance, Catering, Customer Services, Education, People's, Communities and Marketing and Communications. This will be expanded for the latest fund to ensure more groups are represented and that the interaction with other grants are known and considered.

This working group model will continue and approvals relating to this grant will continue to be delegated to the Corporate Director for People.

Throughout the lifetime of these grants the Council has administered vouchers which can be redeemed in supermarkets and it is proposed to continue with this arrangement again, using the framework RM6255, to procure any supermarket vouchers in time to support this scheme.

- **Other Options Considered**

Nottingham City Council does not have to accept this funding, but this is not an option we would consider because this support is needed by Nottingham residents.

132 Levelling Up and Devolution

The Leader of the Council presented a report providing an update on levelling up and the potential devolution of powers from Government. The following points were discussed:

- (a) Following the publication of the Levelling Up White Paper the city, with partners has an opportunity to apply for a devolution deal. Options are being explored with Derby City, Derbyshire and Nottinghamshire County Councils with an initial expression of interest having been submitted to government. Negotiations are ongoing with the possibility of a combined authority with an elected mayor being explored.
- (b) A devolution deal would be an opportunity for the city to have parity with other core cities which already have devolution deals.

Resolved to:

- (1) note the opportunities arising from the Levelling Up White Paper through the devolution framework, which could benefit local communities through greater investment and flexibilities for our area**
- (2) approve continued negotiations with Government about a potential devolution deal**
- (3) subject to successful discussions with Government and the other D2N2 authorities, to note a further report will be brought to Executive Board in due course seeking a final decision on any proposed devolution deal and associated governance model.**

- **Reasons for decisions**

The context in which the city operates has never been more challenging. The impact of COVID-19 will be serious and long lasting in terms of our economic resilience and financial sustainability. The Council needs to explore opportunities created by Government to secure funding, freedoms and flexibilities to achieve the best possible outcomes for its citizens.

We have seen regions such as London, the North West and the West Midlands benefit from the introduction of directly elected mayors and combined authorities, with increased influence at Government level, opportunities to leverage funding and greater flexibility in terms of decision making at a local level. The East Midlands has undoubtedly 'missed out' as a result of not having access to the same level of funding and freedoms, and whilst joint strategic working has been explored informally within recent years, it has not come to fruition. This is being revisited in light of the new devolution framework.

Where our goals as a Council align with the Government's Levelling Up missions, devolution provides the prospect of access to greater funding and the opportunity to collectively tackle deep seated inequalities across the region.

- **Other Options Considered**

The Council could choose not to pursue any aspect of devolution however this would fail to maximise the opportunities in terms of investment and flexibilities that would benefit local communities, hence it is not considered a viable option.

133 Corporate Risk and Assurance Update

The Portfolio Holder for Finance and Resources presented a report on the refreshed Risk Management Policy and Framework and the top corporate risks to the Council, including cross cutting risks and risks escalated from directorates. The following points were discussed:

- (a) The Framework sets out the Council's approach to risk management and includes a policy, a strategy and a detailed risk management toolkit. The policy states that the Council is committed to the proactive management of risks, outlines the Council's active promotion of the principles of effective risk management and includes the risk appetite statements agreed by CLT. The strategy sets out the aims, principles and objectives for risk management, how the framework will be communicated, including training, delivery, monitoring and an action plan. The toolkit provides guidance to managers, to assist them in undertaking any risk management activities.
- (b) The measures support the Council in understanding, mitigating and managing risk.

Resolved to:

(1) note the refreshed Risk Management Policy and Framework

(2) note the risks and mitigations within the Corporate Risk and Assurance Register, their relevance and their corresponding risk scores.

- **Reasons for Decisions**

To receive and review a regular report on corporate risks and how they are being managed and obtain assurance that the Corporate Leadership Team (CLT) are taking appropriate action on significant risks to strategic objectives.

- **Other Options Considered**

To do nothing: this risks the potential that not all key corporate risks facing the Council are represented and understood within the register and that Executive Board members are not fully engaged or aware of the Council's risk profile.

134 Change to Executive Appointments

The Leader of the Council announced that Councillors Eunice Campbell-Clark, Rosemary Healy and Sam Webster would be standing down from the Executive in May and that Councillor Sally Longford, while remaining a member of the Executive, would be standing down from the role of Deputy Leader. The Board recorded their thanks to the Councillors for their service to the Council, the City and its people.

135 Exclusion of the Public

The Board decided to exclude the public from the meeting during consideration of the remaining agenda items in accordance with Section 100A(4) of the Local Government Act 1972 on the basis that, having regard to all the circumstances, the public interest in maintaining the exemption outweighed the public interest in disclosing the information, as defined in Paragraph(s) 3 and 5 of Part 1 of Schedule 12A to the Act.

136 Corporate Risk and Assurance Update - Exempt Appendices

Resolved to note the exempt appendix to item 8

137 Exempt Minutes

The Committee confirmed the exempt minutes of the meeting held on 22 March 2022 as a correct record and they were signed by the Chair.

Subject:	Proposal for a Scheme of Selective Licensing for Privately Rented Homes
Corporate Director(s)/Director(s):	Sajeeda Rose Growth and City Development Frank Jordan Resident Services
Portfolio Holder(s):	Councillor Toby Neal Portfolio Holder for Housing and HR
Report author and contact details:	Sophia Beswick Project Manager, PRS Licensing, Community Protection sophia.beswick@nottinghamcity.gov.uk
Other colleagues who have provided input:	David Hobbs – Selective Licensing Manager David.hobbs@nottinghamcity.gov.uk Graham de Max – Housing Strategy and Partnership Manager Graham.Demax@nottinghamcity.gov.uk Ann Barrett – Team Leader, Legal Services Ann.barrett@nottinghamcity.gov.uk Ceri Davies – Regeneration Team Leader Ceri.davies@nottinghamcity.gov.uk Susan Turner – Senior Commercial Business Partner, Resident Services Susan.turner@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 £750,000 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date:
Total value of the decision:	Gross Value £25million
Wards affected:	All
Date of consultation with Portfolio Holder(s):	8 th March 2022
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input checked="" type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input checked="" type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input checked="" type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>Selective licensing is a power available to local authorities to tackle problems in privately rented housing. The Council has been delivering a scheme of selective licensing since August 2018. The scheme will end in July 2023 and the evidence supports a second scheme in order to build upon the first and continue to deliver the benefits which are already being seen in the city's private rented sector (PRS). Selective licensing relies solely on fee income and therefore has minimal impact on the Council's annual budget.</p> <p>This report and its accompanying documents presents the case for a second scheme. It reports</p>	

the outcomes of an evidence gathering project which has identified a continuing need for selective licensing within the city, and presents a proposal and designation, based on the statutory guidance, for public consultation.

Use of selective licensing powers will provide the following benefits to citizens/service users:

- Bring greater regulation to a housing tenure which is home to a third of our citizens but exhibits comparatively poorer quality standards
- Raise standards of management and property conditions in privately rented housing
- Improve outcomes for citizens living in and around privately rented homes

- Help to improve neighbourhoods and the public realm by:
 - Being a key tool in the overall reduction of antisocial behaviour (ASB) and time taken to resolve ASB complaints
 - Ensuring better management through more extensive regulation
 - Leading to higher levels of customer satisfaction within private rented sector accommodation in the city and improve the city's reputation
 - Supporting the services the Council delivers in neighbourhoods such as waste management and community protection

- Reduce pressure on finite Council resources across the organisation whilst working towards strategic outcomes by:
 - Providing additional support to multiple teams across Council operations to support statutory objectives
 - Proactively identifying and resolving property health and safety hazards
 - Reducing the overall demand on services and the workload of existing reactive core housing support and community protection teams – without a scheme, additional budgetary pressures would be placed on these services
 - Making a significant contribution to Carbon Neutral 2028 goals by supporting national efforts to raise energy efficiency within privately rented homes such as the Minimum Energy Efficiency Standard (MEES)

As noted, selective licensing is discretionary, and the Council does not have to have a scheme. However it can be seen from the current scheme that it supports a number of statutory functions and delivers a range of benefits to the city with minimal call upon existing budgetary resources.

A number of other local authorities have successfully pursued large-scale selective licensing schemes, some bigger than Nottingham's existing and proposed second scheme. These include the London Boroughs of Newham and Waltham Forest and Liverpool City Council, who have all subsequently implemented second schemes. Birmingham City Council and Leicester City Council are at various stages of implementing significant schemes. An independent review of selective licensing commissioned by the then Ministry of Housing, Communities and Local Government in 2019 reported widespread benefits being delivered by schemes across the country.

Supporting documents provided are:

- Appendix 1: the detailed proposal and evidence for the scheme;
- Annex documents which contain analysis and learning from the current scheme, to further support the case for a second scheme, plus detail on specific parts of the schemes such as the licence conditions and the licence fee.
- Appendix 2: Draft Designation.

If the proposed Designation is approved in principle by the Board a public consultation will take

place from June to August 2022.

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

No

Recommendation(s):

- 1** To approve in principal to pursue a second scheme of selective licensing as outlined in the report
- 2** To approve the Proposal Report (Appendix 1) and draft Designation (Appendix 2), for consultation in accordance with the statutory requirements and DCLG guidance document *Selective Licensing in the Private Rented Sector: A Guide for local authorities 2015*
- 3** To receive a further report detailing the results of the consultation to consider and determine if the proposed scheme and Designation should be made and submitted to the Secretary of State for Levelling Up, Housing and Communities for approval

1. Reasons for recommendations

- 1.1 The proposed designated area has been chosen because evidence, gathered in accordance with the DCLG guidance suggests that relevant statutory tests have been met and that selective licensing of privately rented houses in the area would be an appropriate tool to resolve problems.

2. Background (including outcomes of consultation)

- 2.1 The introduction of a licensing scheme for private rented accommodation to drive up standards and protect tenants across the City was a key objective in the Council Plan for 2015-2019 with an initial scheme being approved and running from August 2018 to July 2023.

- 2.2 The current scheme has been evaluated in terms of the outcomes and benefits achieved so far. These are examined in annexes iii and iv of Appendix 1. The highlights have been:

- Approx. 90% of the city's private rented sector brought under a regulatory regime which requires landlords to be pro-active about managing and maintaining their properties effectively
- 666 improvements made to a total of 446 properties
- The ability to influence energy efficiency improvements with over 2000 properties having an improved EPC rating between 2018-2019 within the designation
- Speedier resolution to cases of antisocial behaviour emanating from PRS properties due to selective licensing business intelligence on landlords
- A number of rogue landlords have exited the market
- The existence of selective licensing and the required landlord training has encouraged proactive rectification of health and safety issues pre licence issue

2.3 The current Strategic Council Plan 2021 – 2023 states

“We will tackle poor-quality housing in Nottingham, regardless of tenure, and continue to drive up housing standards in the city, ensuring sustainable communities and neighbourhoods for residents’

- 2.4 Selective Licensing aims to improve living conditions for residents both in the private rented sector and the surrounding community and drive up standards amongst poor landlords. The scheme is an important element of the Council’s commitment to safeguarding and protecting vulnerable citizens across the city and in providing good quality, safe housing.
- 2.5 The current scheme has begun to deliver towards these strategic outcomes; however there is much more work to do to embed long term improvement. Officers therefore recommend that, in the light of the evidence that has been collected, a second Designation and scheme to be considered.
- 2.6 As schemes are time limited this has to be a brand new scheme and not simply a continuation or renewal of the current one. Evidence has to be obtained and tested to ensure that it meets the strict statutory criteria and conditions prescribed by the Housing Act 2004 just as the first Designation and scheme did and this may therefore result in a different designated area.
- 2.7 The current private rented stock of the City is estimated at approximately 45,500 properties, including 6228 Houses of Multiple Occupation (HMOs). The Council commissioned the Building Research Establishment (BRE) to undertake a series of modelling exercises on the City’s housing stock in 2016 when the current scheme of selective licensing was under consideration. That report used stock and tenure figure data from 2016 and showed an increase in the number of private rented properties in the city compared to the 2011 household census data. The report also highlighted that the figure was set to grow. In 2021 BRE refreshed the tenure data for this report which has indicated an increase to over 45,500 Private Rented Sector (PRS) properties (from 43,000 in 2016) now representing 33% of Nottingham City households.
- 2.8 The Housing Act 2004 (the Act) creates three different types of licensing scheme:-
- mandatory licensing - which applies to Houses in Multiple Occupation (HMOs) meeting certain statutory criteria within the Council’s area (currently properties accommodating 5 or more people in more than 2 households)
 - additional licensing - which is a discretionary scheme which can be applied to HMOs of a type prescribed by the Council in an area or areas chosen by the Council, and
 - selective licensing - which is also a discretionary scheme and which can be applied to “houses” (as opposed to HMOs) let in a prescribed manner in an area or areas chosen by the Council
- 2.9 All 3 schemes carry statutory exemptions for prescribed types of property and both discretionary schemes have to comply with prescribed statutory tests before they can be adopted. The City Council has adopted a second scheme of additional licensing covering approximately 1,800 properties which came into effect in January 2019 and the current scheme of selective licensing licenses around 30,000 properties.

- 2.10 Legislation requires local authorities to obtain confirmation from the Secretary of State for any selective licensing scheme which would cover more than 20% of their geographical area or which would affect more than 20% of privately rented homes in the local authority area.
- 2.11 The scheme proposed covers 2994 hectares - 40% of the City geographically; 79% of licensable properties and 66 of 98 Lower Super Output Areas (LSOAs) which meet the high proportion of PRS criteria. If it proceeds, it will ultimately require Secretary of State confirmation. Any scheme to be adopted will require robust, properly considered and clearly presented evidence.
- 2.12 In order for selective licensing to be considered one or more of 6 statutory Conditions have to be met. In summary the Conditions are that the area:-
- i. is an area of low housing demand (or is likely to become such an area)
 - ii. suffers from or has a significant and persistent problem caused by anti-social behaviour
 - iii. is experiencing poor property conditions
 - iv. is experiencing or has recently experienced an influx of migration
 - v. is suffering a high level of deprivation or
 - vi. suffers from high levels of crime
- 2.13 Conditions iii. – vi. can however only be applied where the area is one containing a “high proportion” of properties in the PRS. What constitutes a high proportion is for the Authority to determine and subject to Guidance. The Conditions and the Council’s approach to determining what constitutes a “high proportion” are set out in more detail in Appendix 1 (page 48).
- 2.14 Evidence gathering work has been carried out to establish if there are grounds for implementing a second scheme of selective licensing in Nottingham and if so, where. An evidence base to inform a Designation was gathered using a number of data sources. Extensive analysis of the evidence against each of the conditions as identified in paragraph 2.6 was undertaken excluding low housing demand and migration, as a significant change was not identified since gathering the evidence for Scheme 1, when these criteria were not found to apply. The area that has been chosen as a proposed Designation to consult upon has been arrived at through the analysis of this data. The evidence that has been gathered supports a designation based on the following grounds: -
- significant and persistent problem caused by anti-social behaviour
 - poor property conditions:
 - high level of deprivation and;
 - high levels of crime.
- 2.15 Officers are satisfied that there is sufficient evidence to show that two or more of the Conditions are met for all areas within the proposed Designation. The evidence has revealed, very broadly:
- Continuing problems of ASB in areas with high levels of PRS: for example, in the police data analysed, twice as many reports of noise related ASB came from Lower Super Output Areas (LSOAs) with a high proportion of PRS, and 1.8 as many reports of other ASB;
 - Significant reports of disrepair in PRS homes: reports relating to poor property conditions are overwhelmingly located in LSOAs with a high proportion of PRS property, with a report being 4 times more likely to

occur on average in these LSOAs, than an area with a lower proportion of private rented tenure.

- The coincidence of high levels of deprivation in areas with parts of the city with high proportions of privately rented homes: LSOAs with a high proportion of PRS housing performed worse on average than the remaining LSOAs in Nottingham across all of the domain/indicators of the Indices of Multiple Deprivation (IMD) except the overall combined IMD
- There are higher levels of crime in areas with more PRS: LSOAs with a high proportion of PRS property had 25% more reports of dwelling related crime on average, than other areas

2.16 Officers have focused the proposed Designation only on areas which contain a high proportion of PRS to ensure a robust case is put forward to the Secretary of State for a second scheme which evidences learning from the first and will deliver a more targeted approach. Maps showing which areas within the proposed Designation meet which Conditions are contained in Appendix 1 (page 52, 57 and 60).

2.17 Collectively the Act and DCLG guidance document *Selective Licensing in the Private Rented Sector: A Guide for Local Authorities 2015* state that before proposing a designation and embarking on a consultation the local housing authority must:

- Identify the problems affecting the area to which the designation will apply and provide evidence to support the existence of the problems.
- Decide what other measures it, or other persons together with the local housing authority, will take together with the selective licensing scheme to eliminate or mitigate those problems and how they will work together.
- Assess what outcomes will be delivered through the making of a scheme and taking the other measures.
- Show how such a designation will be part of the overall strategic approach, and how it fits with existing policies on homelessness, empty homes, regeneration and anti-social behaviour associated with privately renting tenants.
- Carefully consider any potential negative economic impact that licensing may have on their area – particularly the risk of increased costs to landlords who are already fully compliant with their obligations.
- Demonstrate the role of other partners (if any), such as the Police or Social Services, in ensuring the designation reaches its goal. (case studies / referrals to be included)
- Show it has considered whether there are any other courses of action available to them that might provide an effective method of achieving the objectives that the designation is intended to achieve.
- Show how the making of the designation will significantly assist the local housing authority in achieving its' objectives (whether or not in conjunction with those other measures).

- Demonstrate how licensing will work in conjunction with existing initiatives (such as landlord accreditation) and partnerships.
- Consider some of the possible effects of making a designation, and to include any risk assessment they may have carried out.

2.18 Officers have considered the strategic significance of the scheme and how the proposed scheme will support a co-ordinated strategic housing approach and assist with the achieving of objectives within the designation. As part of this consideration officers have:-

- looked at the other measures available
- assessed what outcomes will be delivered through the making of a scheme
- considered any potential negative economic impact on their area
- identified the role of other partners and shown how licensing will work in conjunction with existing initiatives and partnerships
- considered whether there are any other courses of action available and
- considered some of the possible effects of making a designation

Details to support the proposal are contained in Appendix 1

3. **Other aspects of the proposed scheme**

3.1 Selective licensing designations can only be made for up to a maximum of 5 years and there is a statutory duty to review the scheme from time to time. At this stage it is proposed that this designation would run for a 5 year period. This will enable its implementation and effect to sufficiently stabilise for it to be effectively monitored and reviewed.

3.2 Before making a final decision as to whether to make (and seek confirmation of a scheme) the Council is required to conduct a full consultation for a minimum of 10 weeks which should be informative, clear and to the point, so that the full details of the proposal can be readily understood. It is proposed that consultation be carried out for a period of 10 to 12 weeks between June 2022 and August 2022, which would include information on the proposed scheme, the reasons for it and how the proposed Designation has been arrived at, and providing indicative information regarding fees and conditions.

3.3 The Council will consult widely with local residents, including tenants, landlords and where appropriate their managing agents and other members of the community including voluntary and community groups who live or operate businesses or provide services within the proposed Designation. The Council will publicise the project widely via multiple channels. It will also work with neighbouring authorities to publicise the proposed scheme and to ensure that the consultation includes local residents and those who operate businesses or provide services in the surrounding area outside of the proposed designation that will also be affected. In addition Council officers will attend pre-existing partners and public meetings with stakeholder groups to raise awareness about the project and the consultation and answer any queries. The Council will also publicise the project and the consultation via relevant landlord trade press in order to engage with landlords who live outside of Nottingham.

3.4 The consultation will include:-

- details of the proposed Designated area
- why the Council believes there is a need for a licensing scheme in the proposed designation, the alternatives that have been considered, the

merits and demerits of the alternatives and the reasons the preference is for the introduction of a licensing scheme

- what the Council considers the likely effect of the scheme will be
- the licensing process and proposed standard conditions
- the proposed fee structure

It will gather views on the above matters and the potential impacts of the proposed licensing scheme. A Consultation document will be produced which sets out the detail behind the Proposal to accompany the questions and to assist with responses to the consultation. Any decisions regarding the Proposal will only be taken by the Council after it has fully considered the responses to the consultation, the supporting evidence and any other relevant information.

- 3.5 The formal consultation is in addition to the ongoing listening and engagement which occurs as part of the current scheme of selective licensing. The selective licensing team engages regularly with landlords and tenants at forums which are delivered by the Council and any relevant themes which have arisen will be incorporated into the consultation.

4. Other options considered in making recommendations

- 4.1 Before adopting a scheme of selective licensing, local authorities are required to 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 or problems in question. The Council has operated a range of schemes and initiatives to improve property conditions and management of PRS properties for a number of years. These initiatives and work with other partners have ensured ongoing engagement with landlords. However problems still exist with some landlords and properties, which the Council believes can appropriately be addressed continuing to use selective licensing powers, alongside existing initiatives and legislative provision. Details of these initiatives, work and considerations can be found in Appendix 1

5. Consideration of Risk

- 5.1 The following risks have been identified:

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

II. An example of some of the risks that could impact on the schemes financial viability and would require a resources review to mitigate are:

- Level of applications vary.
- Landlords may gain accreditation in order to secure a lower fee
- Number of accredited landlords could change with significant changes to accreditation numbers potentially affecting costs and income.
- If operational activity identifies unexpected qualities of property (better or worse) which would mean staffing balance or costs are different to those that are anticipated.
- If there are any legislative, guidance changes and/or case law rulings

6. Finance colleague comments (including implications and value for money/VAT)

- 6.1 This report is looking for approval to proceed with the required public consultation.
- 6.2 Financial analysis and impact of the scheme will be reviewed and any implications identified during and at the conclusion of the consultation process.
- 6.3 The value of the scheme identified is circa £25m, however, the results of the consultation could significantly affect this scope and duration as identified in the risks highlighted above.
- 6.4 There are financial risks with not progressing with the Selective Licence renewal, insomuch that a proportion of eligible overheads and costs allocated to the scheme will need to be funded by alternative means.
- 6.5 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.

Susan Turner, Senior Commercial Business Partner – 07 April 2022

7. Legal colleague comments

- 7.1 In order for the Board to ultimately make a Designation and approve a scheme for selective licensing Councillors must:-
 - be satisfied that one or more of the Statutory Conditions for making a scheme are met
 - have taken reasonable steps to consult persons likely to be affected by the designation and have considered any representations
 - ensure that any exercise of the power is consistent with the authority's overall housing strategy
 - seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour both as regards combining selective licensing with other courses of action available to them and measures taken by other persons, and must not make a designation unless:-
 - they have considered whether there are any other courses of action available to them that might provide an effective method of achieving the objective(s) that the designation would be intended to achieve and
 - they consider that making the designation will significantly assist them to achieve that/those objective(s)
- 7.2 The matters outlined above are addressed more fully in Appendix 1 and Councillors should satisfy themselves of these matters before proceeding to consultation. Any suggested amendments to the designated area would need to be evidence based and justifiable in order to withstand potential legal challenge. However, at this stage as approval is being sought purely to consult the risks of any legal challenge to the Proposal and Designation are low.
 - 7.2.1 As indicated in the report the council would be required to obtain confirmation from the Secretary of State for any selective licensing Designation which covers more than 20% of the administrative district or which would affect more than 20% of privately rented houses in the local authority area. If, following consultation, the Council proceeds to make the proposed Designation, confirmation will be required from the Secretary of State. There is a risk therefore that the Secretary of State may take an alternative view on the evidence or approach taken by the Council

and may refuse consent for the proposed Scheme. There is no right of appeal against the Secretary of State's decision though it would potentially be open to Judicial Review if the relevant grounds were met.

Ann Barrett, Team Leader Legal Services 7 March 2022

8. HR colleague comments

- 8.1 HR are in agreement that this proposal should be consulted on due to the nature of the statutory functions that NCC are responsible for.

Janade Akhter, HR Consultant, Finance and Resources – 27th April 2022

9. Procurement

- 9.1 N/A

10. Strategic Assets and Property

- 10.1 N/A

11. IT

- 11.1 no comments at this stage

12. Crime and Disorder Implications

- 12.1 Continue to work with our statutory partners and voluntary sector through partnership working to address crime and community safety issues

Colin Wilderspin, Head of Community Safety, Community Protection 12 April 2022

13. Social value considerations

- 13.1 N/A

14. Regard to the NHS Constitution

- 14.1 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 selective 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.

15. Equality Impact Assessment (EIA)

- 15.1 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 Annex vii in Appendix 1, and due regard will be given to any implications identified in it.

16. Data Protection Impact Assessment (DPIA)

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

No
A DPIA is not required because:
This report is to go out to consultation. DPIA will be created as part of next Executive Decision to agree if these proposals are taken forward to implementation

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

17. Carbon Impact Assessment (CIA)

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

No
A CIA is not required because:
This report is to go out to consultation. CIA will be created as part of next Executive Decision to agree if these proposals are taken forward to implementation

Yes
Attached as Annex vii, and due regard will be given to any implications identified in it.

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

18.1 All background papers are either referenced in: "Proposal for a Scheme of Selective Licensing for Privately Rented Houses"- Appendix 1 or annexed within it.

19. Published documents referred to in this report

- Housing Act 2004
- Selective Licensing of Houses (Additional Conditions) (England) Order 2015
- Selective Licensing in the private rented sector – A guide for local authorities (DCLG March 2015)
- **Appendix 1 refers to the following documents:**
- The Nottingham City Joint Strategic Needs Assessment (JSNA) on Housing and Excess Winter Deaths (2020)
- Quality Homes for All: Nottingham's housing strategy 2018-21
- The Homelessness Prevention Strategy for Nottingham City, 2018-2023
- Open for business: LGA guidance on locally set licence fees (2017)
- The Mental Health and Wellbeing Strategy 2019-2023

Nottingham City Council

Proposal for a Scheme of Selective Licensing for Privately Rented Houses

April 2022

Appendix One

Nottingham City Council

Proposal for a Scheme of Selective Licensing for Privately Rented Houses

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Proposal for a Scheme of Selective Licensing for Privately Rented Houses in Nottingham

1. Executive Summary

Having a decent, safe, and secure place to call home is the cornerstone of any individual's wellbeing. Nottingham City Council is determined to do everything it can to ensure that the City's residents can access such homes, fostering good living environments.

Following on from the successful implementation and delivery of the first scheme of selective licensing in Nottingham, the Council is proposing a further scheme of selective licensing for the City's private rented sector (PRS), covering a revised geography (the "Proposal"). A review of the first scheme was undertaken in April 2021 and publicised widely through the landlord newsletter and can be found in Annex iii: *Selective Licensing Mid Scheme Review April 2021*. An updated review of continued operation of the current scheme to February 2022 can be found in Annex iv: *Selective Licensing Scheme Review Update Feb 2022*.

This Proposal presents evidence of poor housing conditions, deprivation, crime, antisocial behaviour (ASB) and environmental nuisance linked to the PRS and sets the contextual background and justification for the new scheme.

The evidence concludes that a scheme of selective licensing is required across an area comprising 66 Lower Super Output Areas that meet both the threshold of containing a high proportion of PRS properties and meet two of the statutory conditions for making a selective licensing designation set out above. The contextual background and the justification for the scheme is set out below.

1.1 Local Context

The increase in the size of the PRS has been the most significant change in Nottingham's housing market in the last 20 years.

The population growth of the City has increased at a far faster rate than the overall rate for the UK showing a 1.3% increase between mid-2019 and mid-2020, compared to a 0.7% increase in the UK¹. Growth has been observed within both the owner occupied and PRS, at the expense of the social housing sector.

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¹ ONS mid-year estimates 2020

Key issues for the City:

- Lower than average wage levels, and high levels of dependence on welfare benefits.
- Significantly lower levels of home ownership estimated at 43% compared with 64% in England.
- A significant growth of the PRS, from 25% in 2011 to an estimated 33% in 2021² - in contrast, the PRS only accounted for 19% of the housing sector in England.
- It has an estimated 45,569³ privately rented properties
- The greatest overlap of poor housing and financial vulnerability is seen within the PRS.

1.2 Justification

Selective licensing was first introduced in 2018 in response to the Council Plan 2015-2019 stated strategic aims in relation to the PRS to “Create a comprehensive city-wide licensing scheme for all private rented accommodation to drive up standards and protect tenants across the City”.

The current Strategic Council Plan states that the Council will:

“Use our landlord licencing schemes and all other powers to improve the overall standards of private rented accommodation in Nottingham and tackle rogue landlords.”

Also:

“We will tackle poor-quality housing in Nottingham, regardless of tenure and continue to drive up housing standards in the City, ensuring sustainable communities and neighbourhoods for residents.”

A new scheme of selective licensing will help to achieve this in in the following ways:

- The licence conditions will help address the impact that poorly managed properties have on ASB and/or crime, deprivation, the local environment, and housing conditions
- Licensing will improve standards of tenancy management
- Licensing will help create a level playing field promoting an understanding among residents about what they can reasonably expect from their landlord

² Building Research Establishment 2022 Report

³ Building Research Establishment 2022 Report

- Poor landlords will be more isolated and therefore easier to identify
- Licensing and associated checks will secure housing improvements that will positively impact on the health and wellbeing of tenants

Selective licensing is a wholly complementary tool to use alongside other initiatives the Council has in place. Furthermore, the Council has a track record of implementing licensing schemes and getting results, with the existing licensing schemes in operation evidencing what can be achieved.

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2. Context: the City of Nottingham and its Housing

2.1 Local Demography

The 2020 mid-year population estimates indicate the total population of the City at 337,100⁴. Over the short-term, a growth of 1.3%, or 4,200 people, has been witnessed in the City since the 2019 mid-year estimates, in comparison to 0.7% growth in the UK. Over the longer-term, an increase of 10.3%, or 31,420 people, from the 2011 Census baseline data has been observed; in comparison, the average estimated population growth of the UK over the same period stands at 6.2%.

Population projections suggest that total population of Nottingham is expected to continue to rise to around 344,200 people by 2028 and 356,100 in 2043. The City's population growth is strongly attributed to the level of international migration and natural change, with excess births over deaths reported.

The City has a young age demographic, with a very high proportion (30%) of young people aged 18-29, largely, but not entirely, due to the presence of two universities: full-time students account for approximately one in eight of the City's population. The percentage of other age groups are generally relatively lower than the average of that seen in the rest of England. However, despite this younger age structure, the City is anticipated to see the greatest percentage growth in the over 65 age groups - in particular, the 70+ and 85+ age groups, linked to increased life expectancy. Nottingham has a higher than average number of people living with a limiting long-term illness or disability.

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⁴ ONS mid-year estimates 2020

2.2 Local Economy⁵

The Covid-19 outbreak has impacted the economy both nationally and locally, and the magnitude of this is unprecedented in recent times. As the economy has reopened, indicators suggest a strong recovery, including rising confidence levels and increased consumer spending. Nevertheless, unemployment in Nottingham rose sharply during the initial lockdowns, although some recovery has been noted in recent figures.

The percentage of people aged 16-64 in 2020 in employment in Nottingham (64.6%) was significantly below the England average at 75.4 % - figures also include those counted as furloughed workers during the period. This is however an increase on 2019 figures of 63.9%. The latest official unemployment figures for February 2021 show 18,433 people in Nottingham were out of work and claiming unemployment benefits, equivalent to 8% of the City's working age population.

Figures also suggest a slow-down in workplace earnings and the proportion of people entering self-employment during lockdown, however, generally an upward trend in workplace-based earnings has been witnessed in Nottingham over recent years. Levels are below the national level, although these are heavily skewed by relatively high earnings in London.

Household disposable income is a crucial determinant of consumer spending. The recent increase in this (pre-pandemic figures) has been driven by increased household income from employment, both increases in earnings and increasing unemployment rates. The England average of £21,600 in 2018 remains significantly above that for the City, at £13,100. The City's low figure represents the relatively large number of students who reside in the City, but also the average earnings of a wide cross-section of employed City residents are on relatively low incomes.

The City's Gross Value Added (GVA) measures the increase in the value (output) of the economy due to the production of goods and services. The most recent data (pre-pandemic - 2019) shows that the City's GVA has continued to grow steadily (14% growth 2015-2019), but this rate of growth is below the national average of 15.5%.

There has been an upward trend in the percentage of the adult population achieving NVQ4 and above, while the proportion of residents without qualifications has been falling over recent years. Around 41% of the City's population aged 16-64 are qualified to degree level or above (NVQ4+) compared to 42.8% for England, a gap that has been shrinking year on year, and an overall upward trend in adults achieving qualifications, both NVQ4+ and NVQ2+ has been witnessed in recent years. [Return to Contents List](#)

⁵ The Nottingham Economy: Headline Economic Indicators Bulletin – Summer 2021

Similarly, the proportion of residents without qualifications has been falling steadily in recent years at a faster rate than that of England.

2.3 Housing Tenure

As part of this Proposal the Council commissioned the Building Research Establishment (BRE)⁶ to undertake a tenure modelling exercise on Nottingham's housing stock. This was a follow-up to a study which BRE carried out in 2016. The detailed housing stock information provided in the 2022 report estimates that in 2021 there were 139,233 dwellings in Nottingham, of which, 43% are owner occupied, 33% are privately rented and 25% are social rented.

2.3.1 Home Ownership

Nottingham has significantly lower levels of home ownership (43%) compared with the average levels in England (64%). It is estimated that the sector has grown slightly between the period 2016 and 2021 (up from 41%). This has been at the expense of the social housing sector.

2.3.1.1 Affordability of Home Ownership

Both lower quartile (entry-level) and median house prices in the City have seen dramatic price increases- 75%⁷ and 66%⁸ respectively over the last ten years and nearly 11% and 6% respectively in 2020. In real terms, the average entry-level property price in the City at the end of March 2021 reached nearly £126k, although local area variances exist, with areas such as Aspley and Bulwell being as low as £105k and Wollaton West reaching £232k⁹. Despite these local increases, entry-level property prices in the City are generally significantly cheaper than the average for the rest of the East Midlands, where average prices are £30k higher) and England (£52k higher).

Affordability, and accessing the owner-occupied market, especially for entry-level homes, is becoming increasingly difficult. Income levels for people living in the City have not kept pace with house price rises, with a person requiring nearly 5.3 times their income to afford an entry-level home in 2020. This jumps further to 7.6¹⁰ times when factoring in travel to work costs. Having less income to save for a deposit and access mortgage finance often prices lower income earners out of the home ownership market which is then reflected (at least in part) in the growth of the PRS.

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⁶ BRE Integrated Dwelling Level Housing Stock Modelling and Database for Nottingham City Council

⁷ Lower quartile house prices for administrative geographies: HPSSA dataset 15 - Office for National Statistics

⁸ Median house prices for administrative geographies: HPSSA dataset 9 - Office for National Statistics

⁹ Lower quartile house prices by ward: HPSSA dataset 39 March 2021 Edition - Office for National Statistics

¹⁰ Greater Nottingham and Ashfield Housing Needs Assessment, Icenic Consultants 2020

The low property prices in Nottingham, in comparison to its neighbours, can also be linked to the growth of the PRS within the City, as landlords consider investment in Nottingham's privately rented market as lucrative.

2.3.2 Privately Rented

The PRS is a relatively easy access and more affordable housing type which fits with the lifestyle and life choices for many of the City's population. The sector helps to support Nottingham's economy and ambitions for growth by providing a source of accommodation for young professionals working in the City, with many of these workers not able to access socially rented properties and not yet ready, or financially able, to make the step up to home ownership. The sector also supports the City's large student population and provides a crucial source of housing for people on lower incomes through the local housing allowance (LHA) system. The Council, therefore, recognises the vital importance of the PRS in the City as part of the City's overall housing market.

The BRE 2022 report highlights the continued growth in the PRS in Nottingham in recent years, comprising 13% of the total stock in 2001, 25% in 2011, and an estimated 33% in 2021. In contrast, the PRS only accounted for 19% of the housing sector in England in 2021¹¹

It is also important to acknowledge the significant and recent growth in the size of the 'build to rent' (BTR) sector of the private rented market in Nottingham. This has been actively encouraged by both national government policy and the Council's planning policies with the 2020 Housing Needs Assessment¹² for the City signifying a continuing need for growth of the BTR market as a viable alternative to purchasing and, for lower-priority households, social housing.

2.3.2.1 Affordability of PRS

Increasing demand for PRS properties, and therefore, rental price increases have been witnessed in the sector - with average annual rent increases reported of 7.6% in recent years. 920 more privately rented properties came to the market between mid-2020 and mid-2021, an increase of nearly 30%¹³.

Data suggests that lower quartile (entry-level) rents accounted for around 1,000 lets between mid-2020 and mid-2021. Rental levels of these homes were generally around LHA rates; however, top-ups would be required for both one and two-bedroom homes of around £25 per month. However, when considering the gap between average rents and LHA, top-ups of around £140 per month for a one, two- or three-bedroom home, and £550 for a 4+ bedroom home are required.

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¹¹ English Housing Survey, 2020-21

¹² Greater Nottingham and Ashfield Housing Needs Assessment, Icenl Consultants 2020

¹³ Private rental market summary statistics in England 1/10/2020-30/9/2021 - Office for National Statistics (ons.gov.uk)

2.3.2.2 Stock Condition of PRS

The quality of BTR stock is generally good given its recent construction dates, however, there may still be serious safety issues that need to be addressed in the wake of Grenfell and the recent raft of building and fire safety regulations that have subsequently been introduced.

In terms of the longer established existing stock, the 2016 BRE report suggested that the greatest overlap of poor housing and financial vulnerability was observed within the PRS. At the time of that report, the level of excess cold, fall hazards, disrepair, and fuel poverty - under the old method of calculation (Low Income, High Costs) were all significantly greater within the PRS than any other sector. It is worth noting here that using the new method of calculation for fuel poverty (Low Income, Low Energy Efficiency) affected 18.5% of the City's population in 2019, or in real terms, around 25,000 households, a rise from 13.9% in 2018 using the old methodology. Recent announcements of rapidly increasing energy bills and consumption are likely to cause further significant and widespread financial hardship; however, due to the lag in data being published, these increases will be seen amongst our residents many years before they will be evidenced by the data, placing further pressure on low income households living in poor housing. The enforcement of the Minimum Energy Efficiency Standard (MEES), which is covered in more depth in Annex iv: *Selective Licensing Scheme Review Update Feb 2022* has revealed high levels of poorer –performing homes in the PRS, particularly when compared to the social sector.

In order to accelerate the delivery of residential units the Government has in recent years relaxed the planning system to allow more development which does not require formal planning permission. This deregulation of the planning system has seen considerable levels of permitted development in the PRS which might be problematic in terms of its condition, safety, and management, given the limited planning scrutiny it will have received.

In summary, although an update to the 2016 BRE report's baseline data on property conditions is not yet available, evidence from other sources, as detailed within this Proposal, suggests that there are continuing and emerging problems of poor property conditions, hazards, and disrepair within the PRS.

2.3.3 Socially Rented

Demands on social housing have never been greater. Rapidly rising property and rental prices, have made these options either unaffordable or a significant financial stretch for some people. The number of people on the Council's housing register is growing, and at the end of 2021 totalled 8,266. To put this into context, approximately 1,171 homes were let through the register - equivalent to less than 15% of the waiting list and meaning that the vast majority of people eligible and in need of housing are unable to access it through this mechanism.

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Homelessness has also increased in recent years, with nearly 2,800 approaching the Council for assistance throughout 2020/21 and being assessed as having a prevention or relief duty. The implications of this are explored in more detail later in this Proposal.

2.3.3.1 Stock Condition of Socially Rented

The Council, via its Arm's Length Management Organisation Nottingham City Homes, has achieved 100% decent homes¹⁴ across its stock. While our partner housing associations have also achieved decent homes, giving comfort that the vast majority of the City's social housing delivers high quality, safe, warm and modern homes. However, since the Grenfell disaster there has been a renewed focus on safety and compliance in the social sector, with the possibility of a new decent home standard being introduced.

2.3.4 Student Housing

The two universities and their various campuses situated within the City's boundaries are vital to the local economy and significantly shape the local housing market. For the 2021/22 academic year these Universities are responsible for approximately 53,500 students, of which around 45,000 require housing for the duration of their studies. This figure is anticipated to rise by 2% each year.

In line with the Council's Local Plan policies, a significant number of purpose-built student accommodation (PBSA) has been developed within the City in recent years. This resulted in over 27,500 bed spaces being provided in 2021/22 and nearly 9,800 more in the pipeline to be delivered up until 2025/26. The City has seen a slight reduction in the use of HMO type accommodation for students as a result of proactive policy initiatives which support PBSA and restrict HMOs through the planning system in heavily concentrated areas. However, an overall shortfall of student accommodation still exists and growth in student numbers continues to exceed supply of bed spaces.

2.4 Deprivation

The Council has had a long-standing ambition to include more of its citizens in its prosperity, reduce the levels of poverty which are prevalent in many parts of the City, and to reduce the significant disparities in life experiences between different wards of the City. Nottingham has high levels of deprivation, with 56 of the 182 City's lower super output areas (LSOAs)¹⁵ falling amongst the 10% most deprived in the country, [Return to Contents List](#)

¹⁴ The Decent Homes Standard is a national property standard for social housing. It covers safety, warmth and modern facilities within both Council and housing association properties

¹⁵ Super Output Areas are geographies for the collection and publication of small area statistics. Lower Layer SOAs were first built using 2001 Census data from groups of Output Areas (typically four to six) and have been updated following the 2011 Census. They are statistical unit or census data capture area containing between 1000 and 3000 residents and 400 to 1200 households. There are 182 Lower Super Output Areas in Nottingham City. Measures of proximity (to give a reasonably compact shape) and social homogeneity (to encourage areas of similar social background) are also included

and 104 falling in the 20% most deprived. Overall, Nottingham is the 10th most deprived district in the country.¹⁶

The 2016 BRE report and the latest data identify the high level of low income households in Nottingham¹⁷ and this is particularly noticeable when looking at the private rented sector (29% private rented sector tenants compared to 13% owner occupiers) and is consistent with current Office for National Statistics (ONS) data showing that Nottingham (International Territorial Level ITL3) has the lowest gross disposable household income in the UK.

2.5 Looking to the Future

The Council is mindful that there are several significant pieces of legislation that will be forthcoming over the next few years that will shape the future of the housing sector. While it is impossible to know the full details of these at this stage, it would be an oversight not to mention them within a Proposal that looks to improve the property standards within a key housing sector for the City, and to ensure that as we improve housing conditions in one area, another is not left behind.

2.5.1 Building and Fire Safety

The Grenfell Tower disaster on the 14th June 2017 shocked the Country and the housing sector to its core. Its impact is rightly shaping improved building and fire safety standards within the social housing sector, alongside how it communicates and listens to and values tenant's opinions.

The Hackitt Review of building safety, in addition to the emerging findings of the Grenfell inquiry has led to a raft of new building and fire safety legislation with wide reaching implications for all rented tenures. The Council has been pro-active in carrying out audits of higher-risk buildings with Nottingham Fire and Rescue Service which has revealed safety issues in a number of recently constructed buildings, some of which are in the private rented sector. There is further commentary about how the work of the Joint Audit Inspection Team relates to selective licensing in Annex iv: *Selective Licensing Scheme Review Update Feb 2022* of this Proposal.

It is vitally important that standards across all tenures are maintained to the required levels, and beyond, to ensure that similar disasters are prevented from happening again.

2.5.2 Levelling Up

In the recent White Paper on Levelling Up, the government has suggested use of the decent homes standard as a measure of its objective to improve PRS homes. There [Return to Contents List](#)

¹⁶ Indices of Multiple Deprivation, 2019 <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

¹⁷ Nottingham has the lowest gross disposable household income (money that households have available for spending and saving after direct taxes such as income tax and Council tax have been accounted for) in the UK. ONS Regional Gross Disposable Household income (GDHI) 1997 to 2019

is therefore a parallel objective across the social and private rented tenures to bring greater consistency between them in terms of the quality of housing.

2.6 Nottingham's PRS in Context: Conclusions

The PRS in Nottingham is growing and thriving. The expansion of the BTR sector and increasing rents are both indications of its continued demand in the market, and the reason why it is now the City's second largest tenure behind home ownership. The PRS plays an important role in the City's economy, offering a unique tenure choice for many of the City's residents and plays a vital role in relieving and alleviating homelessness for some and resolving housing need for those unable to access alternative options.

There are some excellent landlords operating within the City offering good quality, safe homes to rent. However there is also evidence of poor housing and poor landlord practices that impact disproportionately on the City's vulnerable and low income households. Where these issues converge is where the risk is greatest.

The City has a well-established strategic approach to housing developed over many years with partners across the private and public sector. Selective licensing is an important element of this housing strategy and will help to enable a targeted, intervention-based approach to improving housing standards. The first scheme of selective licensing, plus the increasing compliance of landlords via both licensing and accreditation, have had a very positive impact on the sector. However, it remains a tenure in need of improvement and therefore, there is an ongoing need to pursue a further scheme of selective licensing to help fulfil the headline objective within the **Strategic Council Plan 2021-23** of 'Better Housing'.

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3. The Strategic Case for a Further Scheme of Selective Licensing

3.1 Strategic Priorities

3.1.1 The Strategic Council Plan

The Council believes that all its citizens should be able to live in a good quality home irrespective of its tenure, and continues to consider the delivery and quality of housing (across all tenures) as a priority for the City. The Strategic Council Plan, 2021-23, has a headline outcome of **‘Better Housing’**. It states:

‘We will tackle poor-quality housing in Nottingham, regardless of tenure, and continue to drive up housing standards in the city, ensuring sustainable communities and neighbourhoods for residents’

This builds on the ambition of the Council Plan, 2015-19 which had prioritised the introduction of a scheme of selective licensing and places an emphasis on the use of licensing schemes to meet that outcome, as indicated by the activity:

‘Using our landlord licencing schemes and all other powers to improve the overall standards of private rented accommodation in Nottingham and tackle rogue landlords’

This alone gives a clear strategic basis for seeking to deliver a second scheme of selective licensing. However, there are further headline outcomes within the Council Plan which the Proposal will support both directly and indirectly:-

- **‘Safer Nottingham’** - in respect of reducing crime and antisocial behaviour;
- **‘Clean and Connected Communities’** - with its emphasis on cleaner and tidier streets
- **‘Healthy and Inclusive’** improved standards in private rented housing makes a positive contribution to the health and wellbeing of occupiers, albeit the tangible effects of this are harder to evidence
- **‘Carbon Neutral by 2028’** – by having a licence condition requiring an Energy Performance Certificate (EPC) the first scheme of selective licensing has had a dramatic impact on the level of EPC coverage within the City (Nottingham has the third best coverage of any local authority). Minimum Energy Efficiency Standard (MEES) enforcement, which works side by side with licensing, also supports this outcome.

3.1.2 The City’s Housing Strategy

The **Housing Strategy (2018-21)** - **‘Quality Homes for All’**, was aligned with the 2015-2019 Council Plan and had the delivery of a scheme of selective licensing as

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one of its highest priorities. The emphasis on raising standards across all tenures will continue into the City's newly emerging **Housing Strategy - Homes Fit for the Future**, which is currently being developed by the Council and its partners. In particular, licensing will be a key element of the theme '**Driving excellent housing services and raising standards across all tenures**'.

In relation to the PRS, this means a continuing use of licensing schemes, both mandatory and discretionary, to drive up standards in management and maintenance - but not in isolation. The strategy will reflect the need to use all available statutory powers, alongside a continued commitment to proactive and voluntary regulation, via accreditation.

3.2 Supporting a Coordinated Strategic Approach

3.2.1 Homelessness Prevention

Over the last decade the PRS has become an increasingly important solution to preventing and tackling homelessness across the UK. The reduced supply of social homes, as the stock decreases, has meant that local authorities have had to turn to the PRS as a source of accommodation to fulfil their homelessness duties, and this is no different in Nottingham.

The Council adopted its current **Homelessness Prevention Strategy** in 2019. It places a strong emphasis on the ways in which the PRS has a role to play in tackling and alleviating homelessness in the City and identifies the following recommended key areas of activity:

- Develop a process for Housing Aid¹⁸ (and other partners sourcing accommodation for vulnerable people in the PRS) to conduct checks on private sector landlords and properties being used to accommodate people who have been homeless.
- Ensure that Housing Aid and all support and advice agencies are aware of and actively engaging in processes to report instances of apparent poor conditions / harassment / unlawful eviction
- Ensure that resources are made available to help landlords provide appropriate support to tenants and improve levels of tenancy management across the sector.
- Provide sale and leasing options for landlords or empty property owners wishing to sell or reduce their involvement in their property.

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¹⁸ Housing Aid provides the Council's statutory homeless and housing options service.

- Change behaviours of poor landlords through encouragement, support, licensing/accreditation, and significant consequences where there is a lack of compliance.

The Council has also been proactive in its response to homelessness, utilising grant funding to set up a social lettings scheme within a team of officers focused on securing PRS accommodation to resolve homelessness and housing need. The Nottingham Private Rented Sector Assistance Scheme (NPRAS) assisted 318 households into privately rented homes in 2021. This includes both families with children and single people.

The Council recognises the importance of the role of the PRS in tackling homelessness and fully acknowledges those landlords who provide good quality homes and services in the City. They play a significant role in alleviating homelessness and housing need, allowing people to realise the potential that having a secure and decent home allows.

The continued reliance on the PRS to support with homelessness duties means a need for the Council to ensure that the sector is well managed, provides good quality accommodation and tackles poor landlord practice where this exists. Selective licensing can play a significant role in achieving this ambition. Firstly, it ensures that accommodation is safe and suitable and secondly it improves the management of PRS homes, which reduces the risk of people losing their homes – for example, it is not permissible to serve a section 21 eviction notice if a property is not licenced.

3.2.2 Health

The Nottingham City **Joint Strategic Needs Assessment (JSNA)** chapter on Housing and Excess Winter Deaths (2020)¹⁹ recognised that everyone is potentially at risk from the effects of poor housing conditions. It indicated that the worst conditions were likely to be found in the PRS. This document drew upon some of the data (i.e. the 2016 BRE report) which helped to evidence the City's first scheme of selective licensing, particularly revealing the higher incidence of HHSRS Category One hazards in the PRS. Whilst considerable progress has been made, we know that the MEES work and four years of selective licensing will not have solved these problems. Poor housing conditions continue to be a cause of poor health, both physical and mental.

The Council and its partners are currently refreshing the city's **Health and Wellbeing strategy**. As with the previous strategy, there is likely to be a focus on the influence that the built environment plays in health outcomes. We know that [Return to Contents List](#)

¹⁹ Nottingham City JSNA, Nottingham City Council

housing is a key determinant of health inequalities, so initiatives such as selective licensing which aim to improve housing conditions, can make a significant contribution to better health outcomes.

The **Mental Health and Wellbeing Strategy 2019-2023** states:

“Improve housing standards for Nottingham City citizens in private and rented accommodation.”

3.2.3 Empty Homes

Whilst the Council is not pursuing a selective licensing scheme on the grounds of low housing demand there is a very clear relationship in terms of the Council’s overall approach to empty homes and improvement of the private rented sector. The Council takes a proactive approach to empty homes, using a combination of encouragement and enforcement in order to bring empty homes back into use. A small team of officers are available to offer support, advice, and encouragement to owners.

Selective licensing can have a direct impact on the number of empty homes. Better quality and better managed PRS homes will be delivered via a licensing scheme, which will be less likely to become vacant for long periods of time and cause blight in neighbourhoods. Selective licensing and our approach to empty homes go hand in hand in generally promoting a thriving, high quality private rented sector.

Tackling empty homes will become a key priority in the emerging **Housing Strategy - Homes Fit for the Future**, to ensure that the City makes the best use of its housing stock under the theme ‘Meeting the City’s Diverse Housing Needs’.

3.2.4 Regeneration

The Council is ambitious for the City’s neighbourhoods to be thriving places where people want to live. The Strategic Council Plan (2021-23) aims to implement key regeneration activities in our neighbourhoods through the redevelopment of vacant sites, new private, specialist and affordable housing development and by bringing empty homes back into use. These activities have a key role in improving Nottingham’s deprived neighbourhoods.

Over the past Five years the Council has replaced a large number of obsolete Council houses with new, modern family housing, bringing about the regeneration of these areas. Via its joint venture company, Blueprint, the Council has pioneered the way for delivering new aspirational private homes into regeneration zones like Waterside and the Meadows. These physical interventions have led to improved private sector confidence that has resulted in further private investment in housing growth in areas that would otherwise not have attracted this type of interest.

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The Council is continuing to build quality new homes on sites, often in deprived neighbourhoods, as well as disposing of other land assets to facilitate housing growth. It has taken a pro-active approach to developer engagement, providing clear design guidance for strategic disposals and in some instances using procurement processes and development agreements to ensure the quality of key developments. Through these methods it is creating well designed, attractive neighbourhoods that link and extend existing communities and involve attractive public space for citizens to enjoy. The Council is also proactively engaging with land owners to tackle empty sites and derelict buildings which detract from our neighbourhoods in order to improve our city environment for citizens.

The Council engages in a range of partnership forums with Registered Provider partners who are actively developing and managing new affordable housing in the City. As part of its housing strategy it has also encouraged the development of new, well managed purpose built properties for rent with a single management agent. This model has been growing through institutional investment and has led to the development of new housing and apartment schemes for both the student and general public private rented market. For the most part this form of institutionally-backed housing, bringing consistent management of entire rented developments, has been positive.

Despite the positive improvement these interventions bring, there is a danger that improvements in housing and the physical environment may be delivered in isolation, leaving inconsistent standards of quality and management across tenures. Just as the Council and its partners can bring about a higher quality housing offer through regeneration, interventions such as selective licensing can uplift quality in the PRS, eliminating the poor management and maintenance standards that can adversely affect a neighbourhood. A good example of this is the Meadows area of the City where extensive regeneration is taking place through the demolition of outdated Council homes and replacing them by high quality family homes (both private and new social housing) and also through redevelopment of vacant/derelict sites. The Meadows also has an older housing area with an above average level of private rented properties and where evidence shows that there are problems such as antisocial behaviour, deprivation and poor property conditions which, if not addressed, will undermine these regeneration plans. Regeneration will only be fully effective where there is a multi-tenure approach.

3.2.5 Crime and Antisocial Behaviour (ASB)

Making the City a safer place to live, work in and enjoy is a major priority for the Council and its partners.

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Safer Nottingham Outcome 4 of our Strategic Council Plan States:

“Nottingham will be a safer city with low levels of crime and antisocial behaviour (ASB). People will feel safe and secure in the city centre, their neighbourhood and their home.”

In order to achieve this the Council is committed to a range of action including:

- Cutting crime, and reducing antisocial behaviour.
- Working with our communities, Police and others to tackle hate crime, including reducing repeat hate crimes by 10%, and maintaining strong and cohesive communities in Nottingham.
- Following the results of the Respect Survey, creating an annual ‘Respect Plan’ for each area of the City, detailing what the Council and its partners will do in your area to improve cleanliness, crime and tackle antisocial behaviour.
- Working in partnership with all key Nottingham transport providers and wider partners to ensure the safety of the public transport network.
- Creating an additional REACT team who can be easily contacted to deal with antisocial behaviour and community issues.
- Working with our two universities to deliver Operation Corridor, taking into account the enforcement and welfare of students living off campus.
- Maintaining 24-hour staffed CCTV monitoring.
- Continuing to provide teams who deal with noise nuisance and responding to complaints of noisy neighbours within 48 hours.

Community Protection delivers statutory duties, including tackling antisocial behaviour (ASB) and environmental crime in Nottingham. The vision is to create a safe and clean environment in every one of the City's neighbourhoods.

The local, nationally acclaimed partnership is made up of Nottingham City Council and Nottinghamshire Police functions with officers providing a local presence in every city neighbourhood and a network of specialist departments including Environmental Health and Trading Standards. This means that whatever the ASB or environmental crime issue, the Council is equipped to deal with it.

The Council has Community Protection Officers (CPOs) providing a visible presence in every neighbourhood, working within local neighbourhood policing teams to provide a friendly and fast response to neighbourhood issues.

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Data shows that there is proportionately a higher level of ASB in areas where there is a high concentration of privately rented homes²⁰. A second scheme of selected licensing will help to address ASB in these properties by continuing to raise management standards and licence conditions will include an obligation to ensure that tenancy conditions are effectively enforced.

Licensing of PRS properties does and would continue to support the approach to ASB in a very practical way. Under section 44 of the Anti-social Behaviour, Crime and Policing Act 2014, Community Protection Notices (CPNs) can be served on private landlords or managing agents in respect of their tenants' behaviour. Section 43 (3) (c) provides a requirement for a person served with a CPN to ... "take reasonable steps to achieve specified results". "Reasonable steps" could include either applying for a licence or compliance with its conditions. In this way selective licensing works with ASB powers in order to escalate cases of persistent and serious ASB, potentially leading to an injunction or property closure. The Council has evidence to support a Proposal for a second scheme of selective licensing on a number of the statutory conditions. Antisocial behaviour however is one of the strongest grounds despite the City's highly successful approach to tackling it over the last fifteen years or so. It is therefore wholly legitimate to believe that a second scheme of selective licensing is both a necessary and appropriate tool to continue to help to prevent and reduce ASB even further, both in the PRS and in the City in general

3.2.6 Fuel Poverty Strategy

Fuel poverty can negatively affect people's physical, mental health and wellbeing, with greater risks posed to those with existing vulnerabilities such as disability, chronic ill-health, age and /or low income, life chances and children's educational attainment and resilience.

The most serious impact of a cold home is the death of an occupant. On average Nottingham recorded 158 excess winter deaths per annum between 2007/08 – 2017/18 and 130 in 2019/20 (excluding COVID-19 deaths). Fuel poverty therefore requires a whole-house and citizen focused approach, and as such, the Council has produced a **Fuel Poverty Strategy, 2018-2025**, with three themes aimed at reducing energy bills, improving energy efficiency, and maximising household income.

Selective licensing in the City assists with achieving these targets by proactively targeting support and improvements to residents, and in this case tenants, in the greatest levels of need.

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²⁰ Crime and Drugs Partnership: Exploring the role of private rented households on rate of crime and anti-social behaviour in Nottingham 2022

3.2.7 Energy Efficiency and the Carbon Neutral Agenda

The Council has set the ambition to be the first carbon neutral city by 2028 in its Carbon Neutral Charter 2028. The Charter not only addresses the environmental challenge, but also has the dual effect of improving quality of life and building towards a green economy.

The City's existing housing stock poses a serious challenge in achieving this aim. Many homes were built pre-1980, with nearly 60% rated at an EPC level of D and below. Significant improvements must be made to these homes to reduce carbon emissions and energy demand. In addition, many of the City's homes are reliant on fossil fuels for heat. Upgrading the energy performance of existing housing appears to be the main issue, with many homes being poorly insulated and/or reliant on fossil fuels for heating and cooking, 77.4% of homes rely on gas for their primary heating source, 22.1% rely on electricity and 0.5% solid fuel. This results in existing homes producing twice as many emissions as a new-build property.

It is important that the Council understands the challenge it has in addressing the climate emergency to achieving its aims of being carbon neutral by 2028. Selective licensing plays a part in achieving this, ensuring all rented homes have an up to date EPC allows the Council to target any available assistance towards tackling these poor housing conditions with lower EPC ratings.

3.2.8 The Strategic Case - Supporting a Coordinated Strategic Approach: Conclusions

Given the strategic context shown above, the use of selective licensing is clearly consistent with the Council's overall strategic approach to housing and its approach to a number of key priorities for the City. Selective licensing, by tackling the problems which are evidenced later in this Proposal, can help to achieve a number of positive outcomes in terms of regeneration, the fuel poverty and carbon neutral agendas, health and wellbeing, and community safety, which are all major priorities for the City.

4. Selective Licensing as a Complementary Tool

Selective licensing is not a tool that can be used in isolation. It will be used in conjunction with all of the other powers available to the Council under the Housing Act 2004 and other legislation governing private sector housing. The Council is proactive in tackling poor housing conditions and uses a range of opportunities and partners to improve housing in Nottingham. Licensing will complement existing initiatives the Council has put in place. Below are some examples of how the Council works to achieve better outcomes for citizens in Nottingham.

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4.1 Accreditation

The Council fully supports and part funds Unipol's student accommodation accreditation service in Nottingham, and has done so since 2007. It also part funds an accreditation scheme for non-student homes which is operated by Decent and Safe Homes (DASH), an organisation set up to promote better standards in PRS accommodation across the East Midlands. Accreditation Network UK (ANUK) is the third accreditation provider that operates in Nottingham. ANUK operates the National Codes for Large Student Developments, which aims to ensure transparent and professional management of purpose built accommodation. Together, these schemes make up an overarching minimum standard for privately rented accommodation across the City known as the "Nottingham Standard". The Nottingham Standard enables landlords to demonstrate that they manage good quality homes and gives confidence to renters that their accommodation is safe and well managed.

The Nottingham Standard initiative has been successful in attracting good landlords: Since 2018, when the current selective licensing scheme was introduced there has been an increase in the number of properties covered by accreditation. Accreditation levels had previously been at approximately 6% until the current scheme of selective licensing started with lower fees being sought from those landlords who were accredited. Now approximately 30% of licensed properties have accredited landlords. The Council believes the increase in accredited landlords would not have occurred without the selective licensing scheme coming into force.

Whilst a high proportion of properties remain let by unaccredited landlords, licensing gives the Council the tools to support, engage, advise and if necessary undertake enforcement action to improve property standards and management. Like all accreditation schemes membership is voluntary. A proportion of landlords who choose to not be accredited still deliver high quality, well managed accommodation. However, many do not and choose to remain "under the radar", offering poorly managed and maintained homes, leading to antisocial behaviour and having a negative impact on neighbourhoods.. It is proposed that accredited landlords will continue to receive a lighter touch approach under the Council's proposed scheme; in this way the two tools will complement each other without placing undue burdens on those responsible landlords who engage with the Council and comply with their duties and responsibilities.

4.2 Mandatory and Additional Licensing of Houses in Multiple Occupation (HMOs)

The Housing Act 2004 introduced the mandatory scheme for HMO licensing and came into force in 2006. There are approximately 2,900 HMOs in the City which are believed to fall under this scheme. The impact of mandatory licensing has been positive, with areas of improved housing conditions and management. In 2018 the Government amended the definition of mandatory HMOs to remove the requirement of three storeys or more. This has resulted in some additional licence properties passporting into the mandatory licensing scheme.

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Together with the Council's scheme for additional licensing (below), licensing is delivering significant benefits to the City's private rented sector. Selective licensing is helping to bring similar benefits to the non HMO PRS stock and is helping to identify HMOs that have never been licenced. A review of mandatory licensing can be found in Annex v *HMO Licensing Three Year Review Jan 2022*.

The Council has been operating additional licensing of HMOs in certain parts of the City since January 2014 and is on its second, five year scheme. This runs from 1st January 2019 to 31st December 2023 and is set to licence around 1,900 HMOs. An interim review of the impact of the scheme to date has taken place and can also be found in Annex v *HMO Licensing Three Year Review Jan 2022*. In general the first scheme evidenced that complaints about property conditions had reduced and complaints about antisocial behaviour had stabilised. In the second scheme antisocial behaviour evidenced a slight downwards trend, however some of this can be attributed to the change in mandatory definition detailed above. Given the evidence that licensing - when combined with other activity - is an effective tool, it seems highly appropriate to use selective licensing in homes not covered by additional or mandatory licensing to tackle the problems which the evidence clearly demonstrates exist in many parts of the City. Whilst investigating suspected HMOs it has sometimes been found that whilst the property was not a HMO, significant hazards or areas of poor management existed which led to other types of enforcement action being taken which was appropriate to the housing type.

4.3 Compliance and Enforcement: Safer Housing Team

The Council is committed to improving housing conditions in the private rented sector via its Safer Housing team which provides a one stop shop for issues affecting PRS homes and tenants. The team will continue to lead on non-compliant landlord enforcement and initiatives, respond to complaints made by citizens, and enforce against landlords that fail to licence their properties. The aim is to work with owners and managing agents to achieve legislative compliance, through inspection, education and the provision of advice and information as appropriate.

The starting point will always be to try and work with landlords. Where compliance is not achieved the Council, takes a graduated approach to enforcement and Nottingham follows a 5-stage enforcement model. The enforcement options that are available, having considered all relevant information and evidence are:-

- **Stage 1 Advise** – seeking co-operation
- **Stage 2 Warn** – warning letters, threat of legal action
- **Stage 3 Initial Enforcement** – Legal notices, licence revocation / refusal
- **Stage 4 Substantive Enforcement** – Legal notices, prosecutions, interim management orders, simple cautions
- **Stage 5 Breach** – Prosecution, Final Management Orders

Where there is continued non-compliance or a flagrant disregard for the legislation a prosecution or use of civil penalties will be sought. [Return to Contents List](#)

Most of the work of the Safer Housing Team is reactive, responding to specific complaints. There is a clear relationship between licensing and enforcement: licensing requires landlords to be proactive in their approach to managing their properties, with an aim to reduce the number of complaints which the Safer Housing Team has to respond to reactively.

Citizen requests to the Safer Housing Team continue to be received. Since the selective licensing scheme began on 1 August 2018 to 28 February 2022 there have been 6,525 housing related complaints. The vast majority of these are from tenants in the PRS. In this period, following inspections the Safer Housing Team has removed 184 category 1 hazards and reduced 197 category 2 hazards in properties. The team also responds and deals with cases through a triaging system, and depending on the seriousness of the issue, will work with the landlord, giving them opportunity to do the works. The team also uses other legislation which may improve properties such as the Environmental Protection Act 1990 to require repairs to the boiler to ensure hot water / heating is provided, so a property may not be classed as having a category 1 hazard removed, or category 2 hazard reduced under selective licensing even though it has been improved under other legislation. Again, the vast majority of these properties improved are privately rented properties.

4.3.1 Use of Interim and Final Management orders (IMO/FMOs)

Where properties that are subject to licensing are not licensed and the property falls within the criteria within the Housing Act 2004, section 102, the Council is under a duty to make an IMO. This is a tool under the Housing Act to ensure properties are suitably managed subject to the property being licensed or a FMO being made. To date, the Council has not had to make an IMO or FMO.

5. How the Making of a Selective Licensing Designation will assist the Council in Achieving Its Objectives

The proposed scheme of selective licensing will help the Council to achieve its strategic objectives for the City's private rented sector in the following ways:

- Owners will proactively provide information on the location and details of the privately rented homes they are responsible for
- Landlords have to be assessed as fit and proper to manage
- Poor landlords will be more isolated and therefore easier to identify
- The licence conditions will provide clear and explicit standards will be required to be met that will, for poorly managed accommodation, improve the health, safety and wellbeing of the tenants and have a positive impact of the property on the neighbourhood
- Issues identified under the housing health and safety rating system (HHSRS) on inspection of properties will be dealt with (although the cost of this work is not covered by the licence fee). This will prevent hazards to health and contribute to key health and Council targets relating to excess winter deaths, fuel poverty, falls, reduced crime and antisocial behaviour etc.
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- Increased ability to provide information to landlords about good practice supplemented by sanctions where appropriate standards are not met
- Increased ability to empower tenants on standards they should expect by providing good quality independent advice
- Increased ability to prevent and respond to housing associated ASB and crime

5.1 How Licensing Will Help Continue to Tackle ASB, Crime, Deprivation and Poor Property Conditions

5.1.1 Tackling Antisocial Behaviour

- Reduced associated / relevant ASB within the designation, when compared to areas outside the designation.
- Reduced resolution times of ASB complaints.
 - Both of these will be measured using complaints data to the Council.

5.1.2 How Does Licensing Help to Tackle Antisocial Behaviour?

The Council is quickly able to contact the licence holder by email, phone or letter utilising the up to date, high quality landlord information which the Council has access to as part of the licence application process. There is a licence condition requiring the licence holder to put in place procedures to deal effectively with tenant ASB, providing a basis for them to effectively engage with the tenant and resolve any issues. The Council can and does take its own action as necessary to deal with ASB. However, having additional licence holder (landlord) intervention can speed things up significantly, reducing resolution times and resulting in citizens spending far less time living with antisocial behaviour.

Not having licensing in place would mean having to establish who the landlord was by serving legal notice. This would add significant procedural time and effort where time is of the essence and being able to intervene swiftly can have a positive impact on the issue.

5.1.3 Improving Property Conditions and Management

- Improved property conditions in licensed properties – to be measured by the number of properties improved; by category 1 hazards being removed; and category 2 hazards reduced²¹ (as measured using the Housing Health and Safety Rating System-HHSRS) and compliance with licensing conditions.
- Reducing the number of complaints from privately rented houses in the designation, to be measured by the number of complaints about licensed properties

Improving property standards and management by landlords within the proposed selective licensing designation by measuring and aiming for a reduction in complaint resolution times.

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²¹ Housing Act 2004 Part 1

- By working with our accreditation partners, DASH, Unipol and ANUK, the Council will promote accreditation and seek to increase the number of accredited landlords and properties within Nottingham.

5.1.4 How Does Licensing Help to Improve Property Conditions and Management?

Properties have been and will continue to be improved through the licensing process, licence conditions and inspections and by providing advice and information to landlords via the Council's website and at the point when licence documents are issued.

In particular there is a licence condition requiring licence holders to undertake basic training. This has brought a minimum level of training to licence holders, where before there was none. The Proposal for scheme two is to increase the level of training to an intermediate level.

Accreditation provides benefits of being able to positively engage with a group of landlords that want to be proactive in managing, maintaining and improving their properties above the legal minimum standard. The Council works to promote accreditation and having a significant fee differential between the accredited and non-accredited properties has resulted in a significant increase in the number of accredited landlords and their properties since the beginning of the current scheme in 2018. These accredited landlords are able to access support and training that would otherwise not be available to them.

The Council, through a light touch approach to accredited landlords is then able to spend more time inspecting and undertaking compliance activity on non-accredited landlords.

5.2 Tackling Crime

Reduce associated / relevant crime within the designation, when compared to areas outside the designation. This will be measured by using National crime data.

How does licensing help to achieve this?

Through property inspections, and working with partners to provide advice and guidance about how to target- harden properties the Council can improve properties to make them more secure against burglaries.

There is also a condition within the licence to require the licence holder to take all reasonable and practical steps to prevent or reduce ASB or criminality within the property. It is also a requirement that where a licence holder is aware of criminal activity taking place in their property they must inform the appropriate authorities.

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Through Licensing it is proposed to continue to provide sound advice and guidance to support positive landlord tenant relations. The Tenancy Matters team supports the sector with objective advice, upholding legal practice in the PRS, intervening in cases that could have otherwise resulted in legal interventions against landlords or tenants. The team has managed to negotiate solutions for the benefit of both, thereby avoiding the need for potentially costly litigation, and to provide additional stability to tenancies.

5.3 Tackling Deprivation

Help to reduce deprivation within the designation, when compared to areas outside the designation. This will be measured by using the indices of multiple deprivation, in particular the crime, barriers to housing and services, and living environment domains.

How does licensing help achieve this?

The opportunity to inspect properties and undertake improvements to properties can impact on reducing crime, reduce the barriers to housing and improve the living conditions of the properties. Selective licensing can particularly impact positively on the living environment domain, as the licence conditions compel landlords to take responsibility for the behaviours and practices which can lead to a poor neighbourhood environment. These 3 domains are the most closely aligned to how licensing can support the reduction of deprivation.

5.4 Other Added Benefits of Licensing

As discussed already licensing gives the Council a great insight into the private rented sector that it did not have before and the ability to provide advice, support guidance to those both living in the private rented sector and those operating in it.

Being able to proactively inspect properties in the City and get behind the doors of significant numbers of properties has the added benefit of identifying other issues that were perhaps not known before. For example, the Council has made several helpful referrals to its own Children's Safeguarding Team when it has identified vulnerable and at-risk children living in poor properties. It was only because it had been undertaking licence compliance inspections that these referrals were made. Two examples of these cases are included in Safeguarding Case studies A and B Annexes x and xi.

5.5 Use of Enforcement as a Tool to Support Licensing

Through licensing the Council has a track record of working with landlords, but also, where necessary taking appropriate enforcement action. The use of enforcement to improve properties and enforce against landlords failing to licence their properties is a last resort, but is needed. In the current scheme of licensing the Council has undertaken a number of prosecutions and issued a number of civil financial penalties. We publish this information on our website available at

<https://www.nottinghamcity.gov.uk/housingoffences>

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Enforcement of the scheme is important as it provides assurances to tenants, residents, partners and good landlords that it is not merely ‘a paper exercise’ and that all landlords that are required to be licensed will be pursued. The successes documented here have in some cases removed landlords from the market and allowed good landlords to buy the property and improve it. See *Annex viii: Property Improvement Case Study*. In other cases, landlords have since applied for a licence and been brought into the licensing regime, where they can be closely monitored. The proposal to require landlords who deliver poor management to pay a ‘less compliant fee’ (in line with HMO licensing schemes) will allow closer scrutiny of licence holders where the Council has concerns about the management of the properties concerned.

The compliance inspections and checking of documents such as safety certificates, ASB plans and waste management plans provides a tool to ensure a regime of proactive management by licence holders of their properties. It is encouraging to see that a high number of properties that are inspected are compliant with their licence conditions when the Council inspects and engages with them.

Where licence holders are not compliant the Council can take further action and is currently reviewing multiple cases where the licence holder has been in breach of their conditions and further enforcement action is being considered.

The range of tools available at the Council’s disposal when considering the appropriate enforcement action for failing to licence a property under the Housing Act 2004 includes prosecution, civil financial penalties up to £30,000 and simple cautions.

If a landlord has a criminal record or is an associate of someone with a criminal record the Council may determine that they are not fit and proper and as such may refuse a licence application or issue a licence for a short duration to enable it to monitor the property and its management. This also has the benefit of requiring a landlord to put forward a different, more suitable licence holder and / or managing agent to manage the property more effectively.

In 2017 the Council was quick to use new powers available under the Housing and Planning Act 2016 and subsequently adopted a Civil Financial Penalties Policy. The Policy sets out a range of matters including where the Council may issue a civil penalty, rather than having to take a prosecution, which used to be the only available course of action. This policy was updated in 2020 and is available at

<https://www.nottinghamcity.gov.uk/media/3371754/financial-penalties-policy.pdf>

The policy details the different breaches of Housing law that allows the Council to issue civil financial penalties, rather than prosecuting, although the same burden of proof is required.

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The Council sees use of civil penalties as a useful tool in enforcing standards in the private rented sector and most cases tends to take this route. The option of prosecuting a landlord remains however and may result in a landlord being banned from letting or managing properties. This option is not available if the landlord has been issued a civil penalty.

5.6 Why Nottingham Continues to Need Selective Licensing

The desire to ensure that every citizen of Nottingham has a good quality, safe home to live in is one of the very highest priorities for the Council. The current selective licensing scheme has begun making inroads to improving properties and the projected work to the end of the scheme and beyond will continue this important work. Although the significant investment in the social housing stock to achieve the decent homes standard has given assurance that social tenants are guaranteed a good quality home, the same cannot be said for private tenants. The evidence indicates that the PRS is far less consistent in terms of property standards. Furthermore, the PRS (with the notable exception of a significant number of professional, high performing and compliant landlords) is generally not as well managed and is continuing to generate a number of problems in the City's neighbourhoods.

Over a number of years the Council has developed a wide-ranging approach to improve its PRS, utilising the powers available to it to the full, and implementing a number of other initiatives, all of which have had their successes. However, the Council still continues to receive a large and disproportionate number of complaints about the PRS. The Council believes, therefore, that it needs to continue using selective licensing alongside all of its other activity to bring about the significant improvement needed to meet its commitment to ensure all citizens can enjoy a decent quality home.

The government guidance states: "Only where there is no practical and beneficial alternative to a designation should a scheme be made". The Council believes this to be the case.

5.7 Other Options Considered which could Address Problems in the PRS

Before adopting a scheme of selective licensing, local authorities are required to 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 or problems in question. The Council has operated a range of schemes and initiatives to improve property conditions and management of Private Rented Sector properties for a number of years including:

- Accreditation schemes: These have been successful in Nottingham and cover all parts of the PRS. It is noticeable that there has been significant increases in the numbers of accredited landlords because of the licensing scheme.
- Additional HMO licensing scheme: the second additional licensing scheme ran concurrently to the first one, and runs from January 2019 to December 2023.

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- Established teams to deal with issues around anti-social behaviour and environmental crime.
- The Community Protection service, a joint service between the Council and Nottinghamshire Police. The service works in neighbourhoods across the City, dealing pro-actively and reactively with ASB, and engaging with communities on a local level. When identifying and responding to ASB issues in licenced properties the colleagues that work in these teams including Community Protection Officers make referrals to the selective licensing team for further investigation and engagement with the licence holder.
- Improved and greater intelligence sharing with Nottinghamshire Police, Nottinghamshire Fire Authority, HMRC, Gangmasters and Labour Abuse Authority, Community Voluntary Sector and other Local Government partners.
- The Safer Housing Team funded by the Council continues to respond to thousands of reactive complaints from tenants in the PRS undertaking inspections and improvements through their work see section 4.3
- Positive relationships with landlords and tenants and landlord training
- Engagement with the community and voluntary sector
- Social media - Since the first additional licensing scheme launched in 2014 the Safer Housing team have promoted both Twitter (@Nottmrenters) and Facebook (Nottingham Renters) accounts. There are now 2,593 followers on Twitter, growing significantly with further engagement because of selective licensing. They promote activity, housing matters and are particularly used to publicise positive work done by the teams when inspecting houses, as well as prosecutions, and issuing press releases. The aim is to use this to support good landlords and act as a deterrent to other landlords and raise awareness with tenants and landlords of their legal obligations.
- 'Nottingham Nouse' - a strategic housing network hosted by the Council which has over 5000 subscribers to its Nouse newsletter and e-alerts, including many landlords, tenants and other PRS stakeholders. Through its regular alerts and Twitter feed @NottinghamNouse (1,060 followers), housing market and other key information such as legislative change is shared throughout the City.
- Engaging and working with landlords and managing agents through a recently formed letting / managing agent forum and a landlord forum. These forums provide opportunities for engagement and two- way communication. The managing agent's forum in particular is led by the agents with them setting the main items on the agenda. These forums started since the selective licensing scheme started and several of the landlords and agents have not engaged in such a way like this before and selective licensing provides additional capacity to support these.
- Working closely with the main landlord organisations in the City including East Midlands Property Owners (EMPO) and the local National Residential Landlords Association by participation in training events/seminars and regular meetings.
- Developing a student living strategy for the City to ensure that the impact of students in the city and its neighbourhoods is a positive one
- Engagement with residents and community groups at events to promote the work of the Council's Safer Housing team. Selective licensing has provided additional capacity to support these groups.
- The Nottingham Private Rented Assistance Scheme (NPRAS)

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This scheme aims to make full use of the PRS as a homelessness prevention tool, as well as a source of suitable accommodation through which full homelessness duties can be discharged. The scheme assists landlords and tenants by:

- Providing a Guarantee Bond in lieu of a deposit for homeless households and assisting with payment of rent in advance.
- Providing a Landlord Support Service with the aim of preventing evictions by early intervention in any tenancy issues. Services include, mediation, rent arrears, help with anti-social behaviour, disrepair and referrals to suitable support for tenants including debt management and tenancy support services.
- A free let only service for landlords including, tenant finding, sign up, documents, accompanied viewings.
- A full management service costing £35.00 per month including- rent accounting, tenancy management, arranging repairs, regular gas safety checks for landlords who house a homeless family.
- Direct links with DWP - negotiating Universal Credit claims where a homeless household has been placed in a tenancy by NPRAS.

The scheme also offers a range of incentives and support packages to landlords accepting NPRAS clients, including all the benefits of the Nottingham Standard accreditation scheme, updates on changes to Housing Benefit legislation, direct links with the Landlord Liaison team at Housing Benefits, legal advice in relation to tenancies, and referrals to housing related support providers if required.

Below are the number of tenants that have been supported through NPRAS in the previous 2 years.

2021 - 180 singles and 138 families (Total 318)

2020 - 249 singles and 228 Families (Total 477)

- Successful Ministry of Housing, Communities and Local Government (MHCLG) Innovation and Enforcement Fund bid in 2020. This included the following:
 - Working with EMPO who led on and delivered landlord training sessions on HHSRS inspections
 - Working with colleagues in the Council's Housing Aid team to create a tool for tenants to understand their rights and landlords to understand their responsibilities
 - Support enforcement officer training on the BTEC level 7 in investigative practices to improve knowledge and awareness around legal processes
 - Working with the 'Marks out of tenancy' Rate your landlord website aiming to improve engagement
 - Rogue Landlord initiatives: The Council has benefitted from DCLG's Rogue Landlord funding programme twice, in 2013/14 and in 2015/16. This has enabled the Council and its partners to carry out focused targeting of areas where rogue landlords are operating.

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In addition, the schemes / initiatives below operate or have operated within the City. Some are where the Council has been successful in bidding for time limited funding (E.g. MEES and Safer Streets). Whilst this has a positive benefit and a clear focus for a time, integrating the work and ensuring it is sustainable within the work of the wider team / Council can be difficult within the current financial climate. Licensing can work alongside these and be used to help continue the type of work identified and become sustainable for the long term.

Below are 4 specific initiatives and projects that support the work to improve the private rented sector, tackle poor landlords and support some of the most vulnerable in society.

5.7.1 Safer Streets Bid

In March 2021 the Office of the Police and Crime Commissioner (OPCC) submitted a partnership bid for the second round of Safer Streets funding focused on three lower super output areas within the Hyson Green & Arboretum and Radford wards of the Council's area. These were identified as within the largest hotspot for the in-scope crime types in the City outside of the city-centre: Burglary, robbery, theft from the person and vehicle crime. The bid was successful and the OPCC was awarded £432,000 to undertake work to describe crime, particularly burglary within the area. The programme began in August 2021 and will run until the end of March 2022, with a colleague from the Safer Housing Team is involved in this project.

The activity and interventions under the programme are divided into three themes with the following elements:

- Prevention - burglary reduction and prevention, with the main tactic being target hardening. Two burglary reduction officers have been recruited. Providing vulnerable properties and citizens with target hardening materials such as alarms, locks, lighting, ring doorbells and other devices. Targeting properties that have been burgled and neighbouring properties. Installing additional CCTV in the area.
- Enforcement - Police days of action, special police operation set up, additional police patrols in the area, signing residents up to Neighbourhood Alert and providing updates via Neighbourhood Alert.
- Engagement - neighbourhood alert, communications & marketing, community champions - recruiting volunteers from the area to engage the local community around crime prevention and community wellbeing and share advice on them. Engagement with vulnerable groups to drive positive behavioural change, such as not leaving properties unlocked or otherwise insecure.

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5.7.2 Minimum Energy Efficiency Standard (MEES) Bid

In August 2021 Nottingham City Council were successful in a bid for MEES funding, receiving £95,000 from Midlands Energy Hub (MEH) via the Department for Business, Energy and Industrial Strategy (BEIS). This money funded the roles of 2 enforcement officers and 2 support officers full time and a Principal Environmental Health Officer (PEHO) to manage the scheme on a part time basis. The funding addressed the lack of capacity within the Safer Housing Team in implementing MEES. The scheme started in August 2021 ending March 2022.

The Council was asked to estimate the number of properties that they could actively engage and improve within the 8 month project. It was proposed it could engage with 100 properties with an aim to improve the energy efficiency of at least 50 of those properties within the 8 month project and 90 properties overall, going beyond the 8 month project.

To February 2022 the Council has identified 81 properties with an energy performance certificate (EPC) rating of G within the Nottingham City area. All owners of these properties have been written to and engagement has commenced where it has been proved that MEES is applicable. Currently we have improved 17 G rated properties via direct MEES intervention. These 17 G rated properties are broken down into 10 E rated, 6 D rated and 1 C rated property (with A being the highest and G being the lowest energy efficiency rating).

Furthermore, the Council has identified over 700 properties with an EPC rating of F within the Nottingham City area. We have written to over 90% of these properties and engagement has commenced where it has been proved MEES is applicable. We have improved approximately 35 properties via direct MEES intervention ranging from E – C. the Council has therefore hit its targets of 100 properties engaged and 50 properties improved.

5.7.3 Joint Audit and Inspection Team (JAIT)

Following the Grenfell disaster and the Hackitt review, blocks of flats (some recently built / converted) have come under increased scrutiny which was not envisaged when the first selective licensing scheme was being developed. A team was created to undertake proactive inspections of larger buildings and blocks with flats within the City. Joint working with Nottinghamshire Fire and Rescue Service is on-going to inspect and audit the significant number of blocks of flats within the City to ensure they are safe, following some local concerns that the sign off of buildings by approved inspectors was not up always satisfactory. This work is funded through licensing and provides opportunities to inspect and engage with a broader range of such buildings. It was through this work that a review of the block licence conditions (in place since November 2019) was undertaken and further conditions added to

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block licences being issued to cover a broader range of elements (agreed and in place from 1st February 2022). New licences issued now include these conditions which along with the individual licence conditions that apply require the licence holder to be proactive, in particular in how they manage the risk of fire which can be far more complex in larger buildings.

The team has also worked with the national Joint Inspection Team (JIT) which is part of Department for Levelling Up, Housing and Communities (DLUHC). The JIT visited Nottingham twice for 2 days each time, first in July 2020 and then again in January 2022. They undertook joint inspections of a city centre property in July 2020 and a second city centre property in January 2022. The first property contained both aluminium composite material (ACM) and high pressure laminate (HPL) cladding, and the second property containing non-ACM aluminium cladding. The joint inspections were very useful to understand how the Council is working with landlords and to discuss consistency and the most appropriate course of action when tackling tall and complex buildings.

A significant number of residents in Nottingham live in flats. The current number of buildings and flats within the remit of the team is 517 buildings comprising 29,787 flats. The JAIT reports to a project board once every two months and the findings from its January update are below:

- **134 buildings inspected 26% building, 53% flats**
 - Over 18 meters high 80 buildings | 46 buildings remain
 - Under 18 meters high 54 buildings | 251 buildings remain
 - Unknown height | 25 buildings remain
 - Visit's not required | 61 buildings

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5.7.3.1 Inspection Findings – Enforcement Action, Risk Scores and Fire Stopping

From the work undertaken by the JAIT the following findings have been identified through their inspections.

<ul style="list-style-type: none"> Fire safety breaches observed in the majority of buildings inspected. 																							
<p>Enforcement Action</p> <ul style="list-style-type: none"> No buildings have been prohibited in relation to fire safety. Letter before action sent in 11 buildings Enforcement action being considered in 2 buildings 	<table border="1"> <thead> <tr> <th>Enforcement Action</th> <th colspan="2">Number Served</th> </tr> </thead> <tbody> <tr> <td>Letter Before Action</td> <td></td> <td>11</td> </tr> <tr> <td>Improvement Notice (Fire)</td> <td></td> <td>4</td> </tr> <tr> <td>Improvement Notice (Non-Fire)</td> <td></td> <td>8</td> </tr> <tr> <td>Enforcement Notice (RRO)</td> <td></td> <td>1</td> </tr> <tr> <td>Prohibition Order (Fire)</td> <td></td> <td>0</td> </tr> <tr> <td>Prohibition Order (Non Fire)</td> <td></td> <td>2</td> </tr> </tbody> </table>		Enforcement Action	Number Served		Letter Before Action		11	Improvement Notice (Fire)		4	Improvement Notice (Non-Fire)		8	Enforcement Notice (RRO)		1	Prohibition Order (Fire)		0	Prohibition Order (Non Fire)		2
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<p>Risk Score</p> <p>Only 2 buildings have been rated in the lowest category of broadly compliant</p>	<table border="1"> <thead> <tr> <th>Risk Score</th> <th>Buildings</th> <th>Flats</th> </tr> </thead> <tbody> <tr> <td>0 (Broadly compliant)</td> <td>2</td> <td>170</td> </tr> <tr> <td>1 (Minor issues)</td> <td>2</td> <td>59</td> </tr> <tr> <td>2 (Serious problems, letter)</td> <td>120</td> <td>14,637</td> </tr> <tr> <td>3 (Serious problems, p. notice)</td> <td>10</td> <td>970</td> </tr> <tr> <td>4 (Serious problems, p. prohibit)</td> <td>0</td> <td>0</td> </tr> </tbody> </table>		Risk Score	Buildings	Flats	0 (Broadly compliant)	2	170	1 (Minor issues)	2	59	2 (Serious problems, letter)	120	14,637	3 (Serious problems, p. notice)	10	970	4 (Serious problems, p. prohibit)	0	0			
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<p>Fire Stopping</p> <ul style="list-style-type: none"> Satisfactory can include minor fire stopping defects >Half (72 buildings) – with unsatisfactory fire stopping Number of buildings with absent critical fire stopping has increased due to 4 interlinked buildings on one site 	<table border="1"> <thead> <tr> <th>Fire Stopping</th> <th>Buildings</th> <th>Flats</th> </tr> </thead> <tbody> <tr> <td>Satisfactory</td> <td>56</td> <td>6,573</td> </tr> <tr> <td>Unsatisfactory</td> <td>73</td> <td>8,798</td> </tr> <tr> <td>Absent Critical</td> <td>5</td> <td>416</td> </tr> </tbody> </table>		Fire Stopping	Buildings	Flats	Satisfactory	56	6,573	Unsatisfactory	73	8,798	Absent Critical	5	416									
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5.7.3.2 Inspection Findings – Cladding and Sprinklers

<p>Cladding</p> <p>External Wall System Surveys are identifying buildings with unsatisfactory cladding (not ACM Cat 3) or insufficient/missing cavity barriers – working with building owners to look at evacuation strategy in line with NFCC Guidance and the remedial works required</p>	<table border="1"> <thead> <tr> <th>Cladding</th> <th>Buildings</th> <th>Flats</th> </tr> </thead> <tbody> <tr> <td>None</td> <td>54</td> <td>5,861</td> </tr> <tr> <td>ACM</td> <td>12</td> <td>816</td> </tr> <tr> <td>HPL</td> <td>4</td> <td>1,032</td> </tr> <tr> <td>Other</td> <td>64</td> <td>8,149</td> </tr> </tbody> </table>		Cladding	Buildings	Flats	None	54	5,861	ACM	12	816	HPL	4	1,032	Other	64	8,149
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<p>Sprinklers</p> <p>84% of inspected buildings without sprinklers.</p> <p>However, sprinklers not always required by law (Building Regulations).</p>	<table border="1"> <thead> <tr> <th>Sprinklers</th> <th>Buildings</th> <th>Flats</th> </tr> </thead> <tbody> <tr> <td>Yes</td> <td>17</td> <td>2,290</td> </tr> <tr> <td>Partially</td> <td>5</td> <td>243</td> </tr> <tr> <td>No</td> <td>112</td> <td>13,325</td> </tr> </tbody> </table>		Sprinklers	Buildings	Flats	Yes	17	2,290	Partially	5	243	No	112	13,325			
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5.7.4 Slavery Exploitation Team (SET)

The Slavery Exploitation Team (SET) has dedicated officers who work with partners to identify and tackle exploitation, modern slavery and trafficking and offer support to survivors. To drive a multiagency approach to identification, prevention and management of cases, the team established a Slavery Exploitation Risk Assessment Conference (SERAC).

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The SERAC unites statutory and non-statutory agencies to discuss suspected or known cases and plan a joint response to manage risk and intervene, increasing effectiveness and co-operation between agencies and resulting in better service provision, greater protection for victims and better outcomes and safeguarding interventions for individuals who have been exploited. Discussions also feed into NRM referrals and police investigations.

Outside of the SERAC arena, SET triage referrals, liaise with other agencies, conduct low-level investigations, offer specialist guidance to professionals and advocate for survivors. The team also delivers awareness raising sessions and support Police on pre-planned operations to provide a survivor centred approach from first interventions in both business settings and dwellings.

5.7.4.1 Aims and Objectives

To provide a structure where professionals can refer known or suspected victims of exploitation or share situations where there may be suspicious activity so that a multi-agency group can explore, investigate, discuss, gather intelligence and plan a collective response. An action plan can then be developed to increase the safety, health and wellbeing of the victims. Information is shared to identify, assess, manage and reduce risks.

The specific objectives of the SET and SERAC are to:

- bring together representatives from all relevant public and third sector organisations forum where cases can be discussed, with an open exchange of information to ensure appropriate plans of action are put in place for victims and to promote and ensure effective joint working
- To be a central place which holds information related to victims and to have a repository function
- To be accountable for the safeguarding of known or suspected victims of exploitation/slavery/trafficking and to hold each member organisation accountable for delivering on agreed actions
- To assess and manage risk presented by perpetrators
- To gather intelligence and information to support successful convictions

5.7.4.2 Examples of Outcomes

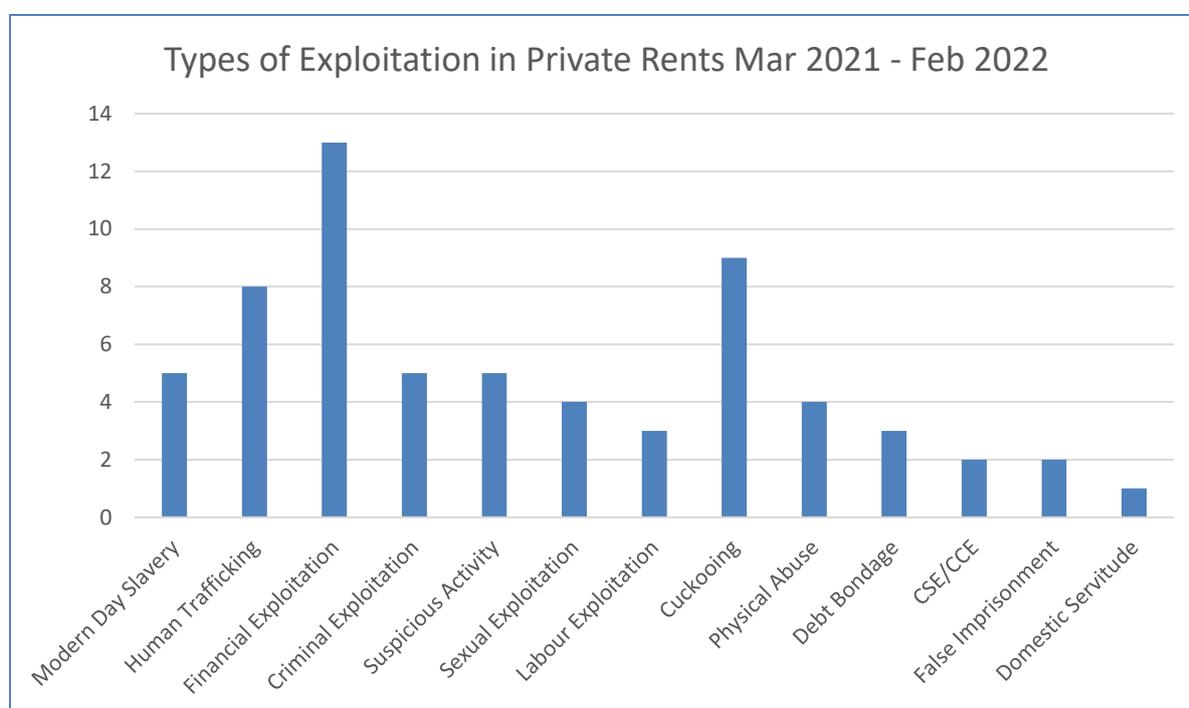
- Supporting police investigations
- Feed into National Referral Mechanism referrals
- Appropriate accommodation sourced
- Safety planning – POI, safe and well checks, lock changes, emergency accommodation, flags on systems
- Capacity assessments
- Safeguarding/other agency referrals and identification of appropriate advocate
- Support to return to home country (when desired)
- Continuation of monitoring – CPOs, NPT, POW, housing managers
- Civil actions – prohibition orders, injunctions
- Reduce pressure/demand on emergency services and statutory agencies

5.7.4.3 Who SET works with:

Whilst closely working with key partners (police, social care, GLAA) in tackling slavery, exploitation and trafficking, SET also work with many extended agencies in housing, health, Fire and Rescue, probation and a number of non-government organisation.

Cases involving private rented accommodation often involves joint working with a number of services within the Council including Selective Licensing, Safer Housing, Community Protection Officers and ASB teams.

In the last 12 months, there have been 36 referrals to SET for private rented accommodation, with 64 types of exploitation recorded (some cases have more than one type of exploitation).



5.7.4.4 Case Examples

A routine inspection was conducted and officers found items suggesting someone was living in an area that was neither licensed or appropriate conditions. Advice and guidance was given to officers to enable them to do a follow up visit to fully understand the circumstances. On identifying the individual at risk, SET were also able to ensure the correct support was in place.

A Housing Licensing Officer reported concerns around some 'red flags' in behaviour witnessed at an inspection leading to concerns around financial exploitation and children not being in school. The case went to SERAC and SET were able to make links to a wider child criminal exploitation network. [Return to Contents List](#)

The case was referred to appropriate safeguarding agencies and a multi-agency working group looking at the wider concerns.

Concerns were raised by a member of the public about an elderly male living in unsuitable conditions above an industrial business. Initial single agency visits did not establish the male's identity or whether he was actually there. The case went to SERAC and as a result a multi-agency visit was conducted with legal powers to enter the property. The male was identified and an ongoing plan is in place with the relevant agencies.

5.7.5 Summary of Other Initiatives and Schemes

As can be seen, the Council has taken a wide-ranging approach in order to deal with problems and raise standards in its growing PRS. It successfully bids for funding, but these are often short term, time limited projects. These initiatives, and work with other partners has ensured that on-going engagement with landlords and two-way communication between landlords and the Council continues to be maintained. However, there are still problems with some landlords and properties which the Council believes can only continue to be further addressed using selective licensing powers alongside existing initiatives and legislative provisions. The Council believes that none of the existing initiatives either individually or collectively have provided an ultimate solution to stem complaints about private rented sector housing, and that making a second selective licensing designation will continue to significantly assist it to meet its objectives and strategic priorities.

Existing powers available to the Council are largely reactive, (apart from licensing, or time limited externally funded initiatives) with officers responding to tenants' complaints. Many tenants may be reluctant to complain, through fear of retaliatory eviction and because their personal circumstances make it difficult for them to find alternative accommodation. Although enforcement activity has been successful in remedying problems in individual dwellings, it is not felt to have raised the standard of private sector dwellings generally. Although the voluntary accreditation scheme is helpful in driving up standards, it relies on the willingness of landlords to sign up to it. It is likely, therefore, that conscientious landlords will continue to support the scheme. Selective Licensing has been successful in helping to identify and enforce against non-compliant (through prosecutions and civil penalty notices). The council publishes its enforcement outcomes on its website here:

<https://www.nottinghamcity.gov.uk/housingoffences>

Licensing continues to help shine a light on those landlords who fail to apply and continue to operate poor quality accommodation and poor management practices. An example of where the Council successfully prosecuted a landlord of multiple properties comprising both HMOs and houses is given in the Annex viii: *Property Improvement Case Study*. This and other cases show that the Council can through its enforcement approach remove landlords from the market that do not choose to improve their properties and / or engage with the licensing process.

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6. Role of Other Partners

One of the risks associated with a scheme of licensing is the transfer or movement by households having to leave their accommodation due to enforcement action being taken, or landlords attempting to avoid licensing by going under the radar and entering different markets. This fear was voiced by Children's Services staff who support vulnerable families living in private rented housing during the evidence gathering stage of the first scheme. If second scheme of licensing is implemented it will continue to be necessary to work very closely with services which support vulnerable households to ensure that they do not end up in a worse situation or with nowhere to live. The intention is to eliminate poor housing, not to drive it off the radar. Where licensing is implemented the improvement in management and housing standards should help children and families to thrive, thus addressing one of the key objectives of the Council, i.e. tackling deprivation. In the current selective licensing scheme, the Council has undertaken inspections at properties where vulnerable children have been identified and referrals made to the Council's safe guarding teams, example cases are included in Annex ix: *Safeguarding Case Study A* and Annex x: *Safeguarding Case Study B*.

The Council works closely with its arm's length management organisation, Nottingham City Homes (NCH) to improve the City's neighbourhoods. The estates which NCH manages on behalf of the Council have large numbers of properties that have been bought via the Right-to-Buy but are now privately rented. Additionally, NCH manages homes in multi-tenure inner City areas with high levels of private renting. NCH therefore plays a key role in areas with high levels of PRS, and is an important partner in the operation of the selective licensing scheme, working alongside Council officers to identify PRS homes and reporting issues of antisocial behaviour which are being caused by PRS tenants. NCH also has a subsidiary which lets market rent homes, and these are subject to selective licensing.

There are also important voluntary sector partners with a role to play: Housing associations (HA) who work in multi-tenure areas will need to be part of a joined up approach to problems in neighbourhoods. Agencies such as Framework HA, which specialise in assisting vulnerable homeless people in partnership with the homelessness strategy implementation group (see above) help to deliver the wide-ranging housing solutions which form part of the City's overall housing strategy. The Council also works with a range of partners, including Age UK and Nottingham Energy Partnership within its Domestic Energy Efficiency and Fuel Poverty (DEEFP) group. The DEEFP group is responsible for the **Fuel Poverty Strategy** mentioned earlier, and seeks to maximise external grant funding for energy efficiency projects.

As mentioned above, the Council works in partnership with the Police to tackle crime and antisocial behaviour through its Community Protection service. Licensing provides an opportunity to identify and gain access to homes which are a base for crime and a source of antisocial behaviour.

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7. Consideration of Risks

As set out in the (then) DCLG document *Selective licensing in the private rented sector: A guide for local authorities (2015)*, the Council has given careful consideration to the potential negative economic impact that licensing may have. As has already been stated it is intended that the least compliant landlords will continue to pay more to be licensed and the best, most compliant landlords will receive a lighter touch.

Consideration has also been given to the potential impact of the cost of licensing being passed on to tenants through higher rents. This was raised at consultation events in the first scheme, with landlords saying they would pass on sometimes more than the cost of the licence fee to tenants. Nationally, restricted access to home ownership and social housing has led to increased demand for privately rented homes, with a consequent rise in rents. Nottingham has seen higher than average rent increases over the past few years; however, so has the East Midlands as a whole. Above average rent increases cannot unequivocally be put down to landlords passing on the cost of the licence fee. One reason that rents may have increased so much in Nottingham is the significant number of build to rent properties, with markedly higher rents, coming on to the market in recent years.

If landlords **did** choose to increase their rents in response to the first scheme, then a further increase in response to a second scheme is not justifiable, as those landlords will have already reflected the costs of the scheme in their rents. There is a proportion of new property included in the proposed second scheme designation, but not the current designation, where landlords may choose to increase rents, but any rent rise should be proportionate to the cost of a licence over the five years it covers. It is arguable that those landlords not included in the proposed second designation, but who were included in the first, could reduce their rents accordingly. Or indeed, if there is no second scheme, all landlords in the first designation could arguably reduce their rents.

A further risk is the potential for selective licensing to lead to more homelessness. The Council is required to carry out monitoring of homelessness, including the reasons why households have become homeless.

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The data for recent years is thus:

Reason For Homelessness as a Percentage of all Reasons	2021/22	2020/21	2019/20	2018/19
Family or friends no longer able to accommodate	25.3	31.8	28.9	24.3
End of private rented sector housing tenancy	19.4	12.7	19.2	21.4
Domestic abuse/violent relationship breakdown	13.0	12.1	8.1	7.7
Non-violent relationship breakdown	6.0	6.9	6.6	8.1
End of social rented housing tenancy	5.2	2.0	4.3	5.6
Departure from institution (includes LA care, prison/custody, hospital)	6.7	4.1	4.5	4.9
Evicted from supported housing	4.8	4.1	4.1	2.8
Required to leave Home Office asylum support accommodation	3.5	1.9	2.3	2.4
Harassment	2.6	2.0	1.5	1.8
Property disrepair	0.7	0.7	0.6	0.6
Other	12.8	21.6	20.1	20.1

From the information in the table above, households becoming homeless from the PRS does not seem to have increased since the implementation of selective licensing.

Another potential risk identified in the first scheme and suggested by DCLG's guidance is the possible "displacement" of landlords who choose not to engage in the scheme. The Council consulted widely in the first scheme including with its neighbouring local authorities. In a second scheme this risk is reduced as the scheme has already been operating in Nottingham and the proposed scheme is smaller than the existing scheme. The Council will once again, be consulting widely on the Proposal, including consulting with the neighbouring district Councils and will listen to any concerns that they have.

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8. Detailed Evidence to Support Proposed Scheme of Selective Licensing (Technical Appendix)

8.1 Executive Summary:

This section of the Proposal outlines the Council's statistical and other evidence in support the introduction of the scheme and the geographic basis for the designation. It outlines the analysis of several data sets and bodies of research to determine where in the City meets the legal criteria to implement a selective licensing scheme. Selective licensing is intended to address the impact that poorly managed rented properties can have on ASB, crime, the local environment and housing conditions.

Data was analysed at Lower Super Output Area, as this was the most consistent geography available across the datasets that also gave a reasonable and accepted interpretation of an "area" for the purposes of determining where the private rented sector and associated issues were represented, comparative to the City overall; it also provides a consistent and practical approach to building a designation geography, which can also be deployed for monitoring purposes and direct comparison over time.

The analysis focussed on four of the six conditions available to justify a designation: Significant and Persistent Problems Caused by Antisocial Behaviour; Poor Property Conditions; High Levels of Deprivation; High Levels of Crime²².

With the exception of the anti-social behaviour ground there must be a high proportion of PRS properties in relation to total number which are occupied under either assured tenancies or licences before the ground may be relied on and before the Council has included an area in the proposed designation it has had to meet both the tenure and issues threshold outlined below. Whilst not required by law to do so the Council has also applied the tenure threshold to the Anti-social behaviour requirement.

The other statutory conditions to justify a designation (immigration and low demand) have not been examined as there is little indication that these issues persist in Nottingham to the extent required for inclusion in a scheme of selective licensing.

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²² These grounds are found in more detail in section 80 of the Housing Act 2004 and SI 2015/997

8.2 Summary of Data, Methodology and Findings *(table)*

Criteria	Datasets	Methodology	Measure	LSOAs meeting threshold
High proportion of PRS properties in relation to total number which are occupied under either assured tenancies or licences	BRE Tenure Data - modelled using NCC datasets for social housing and licensed properties, plus Experian data - 2021 The English Housing Survey 2020/21	19% (English Housing Survey) less, 4.5% (proportion of overall stock identified as HMO) plus, 1% contingency for non-PRS HMOs and reversion from c4 to c3 occupancy. 15.5% threshold	Above 15.5% PRS in LSOA	98/182
ASB	NCC ASB and Community Protection Data Nottinghamshire Police ASB data Nottingham Crime & Drugs Partnership Report	Select categories related to neighbourhoods and noise Establish LSOA average incidence for ASB and Noise related ASB for NCC and Police datasets	15.5% PRS plus above average reports in 2 or more of 4 datasets	53/182
Poor Conditions	NCC ASB and Community Protection Data	Select categories related to housing conditions Establish LSOA average incidence	15.5% PRS plus above average reports of poor conditions	56/182
Deprivation	IMD (2019) Fuel Poverty LILEE data (2020/21)	Select domains and sub domains related to housing Establish LSOA average rank/percentage	15.5% PRS plus below average rank in 3 or more of 8 domains/indicators	90/182
Crime	Nottinghamshire Police Crime data Nottingham Crime & Drugs Partnership Report	Select categories related to housing Establish LSOA average incidence crime(s)	15.5% PRS plus above average reports of crime(s)	53/182

8.3 Detailed Evidence (Technical Appendix): Conclusion

An area-by-area approach has been taken, with different conditions being met in different parts of the City. The evidence for the various conditions taken as a whole shows that the designation is both justifiable and necessary.

There was demonstrable coincidence of data relating to poor performance on the issues stated in the statutory grounds for making a designation and the location of high proportions of private rented sector property. This was most clear in relation to deprivation, where not only does Nottingham perform poorly as a Local Authority Area compared to England as a whole, but where areas within Nottingham with a high proportion of private rented tenure, perform worse still in domains related directly to housing and living environment.

66 of Nottingham's 182 LSOAs are considered to meet the threshold for inclusion in a scheme of selective licensing having met the threshold for high proportion private rented sector property, and 2 or more out of the 4 statutory conditions examined. These areas will form the core of the proposed designation.

9. Detailed Evidence to Support Proposed Scheme of Selective Licensing (Methodology)

The Council sets out its methodology and reasoning in determining which areas should be included in the proposed designation below. This includes:-

- the basis on which the Council has determined which areas contain a high proportion of PRS
- the statistical analysis for each of the statutory conditions on which the Council believes a designation of selective licensing is justified and
- an analysis of the qualitative evidence for each of those conditions.

Only Lower Super Output Areas that have a high proportion of private rented sector property and which are considered to meet 2 or more of the statutory conditions have been included in the proposed designation for selective licensing.

9.1 High Proportion of Property in the Private Rented Sector

9.1.1 Baseline

The methodology used to establish the location and proportion of private rented sector properties in Nottingham was based on a Lower Super Output Area (LSOA) level breakdown of BRE's stock and tenure figures for 2021; figures that matched Local Land and Property Gazetteer (LLPG) records to Experian data for tenure as well as Council held data regarding social housing, private rented housing (currently licensed under selective licensing) and HMOs.

The private rented sector figures for each LSOA were adjusted in line with the Selective Licensing Guidance²³ ("the Guidance") in order to capture the relevant properties and thresholds more accurately.

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²³https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/418551/150327_Guidance_on_selective_licensing_applications_FINAL_updated_isbn.pdf

For this purpose, only the following property use codes were included:

RD	Residential Dwellings
RD02	Residential Dwellings, Detached
RD03	Residential Dwellings, Semi-detached
RD04	Residential Dwellings, Terraced
RD06	Residential Dwellings, Flats
RD08	Residential Dwellings, Sheltered Accommodation
RH01	Houses in Multiple Occupation (shared houses)
RH02	Residential Dwellings, Houses in Multiple Occupation (self-contained Bedsits/flats resulting from property subdivision)

The baseline tenure split for Nottingham is as follows:

Tenure	Number	%
Owner Occupied	59345	43%
Private Rented	45569	33%
Social Rented	34319	25%
(HMO)	(6228)	(4.5%)
Total	139,233	100%

The four statutory conditions specified in the 2015 Order²⁴ (housing conditions, migration, deprivation and crime) can only be considered where:

- The area contains a high proportion of properties in the private rented sector in relation to the number of properties in the area and
- Those properties are occupied under either assured tenancies or licences to occupy

There is no statutory definition of what constitutes a “high proportion” and it is therefore open to the Council to make its own reasonable determination having regard to the Guidance:

“Nationally the private rented sector currently makes up 19% of the total housing stock in England. The actual number of privately rented properties in a given area may be more or less than this, and if it is more than 19%, the area can be considered as having a high proportion of privately rented properties. 19% is the figure as of March 2014. This figure will vary from time to time, so local authorities are strongly advised to consult the latest available English Housing Survey when considering whether an area has a high proportion of privately rented properties”

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²⁴ http://www.legislation.gov.uk/ukdsi/2015/9780111131435/pdfs/ukdsi_9780111131435_en.pdf

This was taken as the starting point for the assessment for what constituted a “high proportion” however, as with any guidance it is not legally binding and the Council, so long as regard is had to it, may depart from that guidance if it has good reason to do so. NCC has the following approach:

9.1.2 Houses in Multiple Occupation (HMOs)

Selective licensing schemes provide for the regulation of “houses” as defined by section 99 of the Housing Act 2004. [Most] Houses in Multiple Occupation (“HMOs”) as defined by section 254 of The Housing Act 2004 are unlikely to fall within the definition of a “house”.

HMOs that are licensed under the Council’s existing Additional and Mandatory licensing schemes would not be required to be licensed under selective licensing (section 85 of the Act).

HMOs have therefore been omitted from the private rented sector totals when calculating the proportion of properties comprised by private rented tenure in an area. All licensed, licensable and known/suspected HMOs currently outside of licensing scheme were subtracted from the total number of private rented sector properties for each LSOA.

Council records indicate 6,228 HMOs (not including s257 HMOs) in Nottingham, which accounts for 4.5% of Nottingham’s housing overall and 13.6% of Nottingham’s private rented stock

89% of HMOs in Nottingham are already subject to either mandatory or additional licensing schemes and a further 20 or so are social tenure and therefore excluded from licensing. It is therefore considered reasonable to remove these from the calculation of what constitutes a high proportion of PRS properties.

HMOs licensable under section 257 of the Housing Act 2004 (i.e. properties that have been subdivided into self-contained flats pre 1991 building regulations), were not considered as HMOs for these purposes nor were they subtracted from the total number of private rented properties. Though flats themselves may require a licence under additional or selective licensing schemes section 257 buildings do not comprise a habitable unit of themselves (it is the flats within them that do).

9.1.3 Regulated Tenancies

Assured Shorthold Tenancies (ASTs) are the most common form of contract in the private rented sector and, along with properties let under licence, are licensable under a selective licensing scheme.

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The main, documented alternative to assured shorthold tenancies and licences is regulated tenancies; tenancies which were established prior to 1991 and which have not been re-let since, (whereupon they would default to an assured shorthold tenancy.)

Valuation Office records at the time of submission for the previous scheme submission showed 470 properties in Nottingham City were let by private providers/individuals on regulated tenancies, the equivalent of 1% of the private rented stock. No adjustment was therefore made to the baseline given this low percentage and that the number of regulated tenancies is in decline and being replaced by ASTs

9.1.4 Threshold for “High Proportion”

The English Housing Survey 2020/21²⁵ (the EHS) established that the private rented sector comprised 19% of housing nationally, and 17% outside of London. In Nottingham it is 33%

The Survey also highlighted that 6% of lone persons reside with another lone person/s or house share, though it does not distinguish between rates inside and outside of London, nor does it distinguish between those sharing with one other person or more than one other person (i.e. comprising a HMO).

In Nottingham 4.5% of the housing stock is HMO, and though this may be below the (inside) London figures if available, is perhaps not representative of all areas outside of London, owing to Nottingham being an urban area with two universities and a younger than average age structure.

For the reasons above and for the purposes of this Proposal, the Council considers a “high proportion of private rented properties” to be 15.5% of an LSOA’s overall housing stock

Though it would be reasonable to reduce the threshold further to 14.5%, (i.e. 19% from the EHS reduced by 4.5% representing HMOs) a higher threshold of 15.5% is considered more robust to allow for a small number of possible reversions from HMO to single occupancy and being more reflective of Nottingham’s type and tenure dynamic.

A figure higher than this e.g. unadjusted for HMOs would detract from the level of eligible stock that may require licensing; a figure lower than for this would potentially compromise the requirement to show comparison within the authority area in which a designation is requested. Using this methodology **98 of Nottingham’s 182 LSOAs have a high proportion of private rented sector properties.**

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²⁵ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1039214/2020-21_EHS_Headline_Report.pdf

9.2 A significant and persistent problem caused by Antisocial Behaviour

9.2.1 Introduction and Method

Local Authorities may designate areas which are experiencing a significant and persistent problem caused by anti-social behaviour (ASB) as part of their selective licensing scheme. However in order to do so it must show that some or all PRS landlords are failing to take appropriate action to combat the problem and that making a designation will eliminate or lead to a reduction in the problem.

Whilst the “high proportion of PRS” test is not a requirement of the ASB condition the Council has chosen to apply it for the purposes of this Proposal. This is because although ASB persists (in some cases at significant levels,) in other areas it cannot be reasonably attributed to one tenure over another where an area has a more balanced tenure and therefore selective licensing will not necessarily provide a solution.

This section addresses the geographic coincidence of reported antisocial behaviour with the location of private rented sector property. **LSOAs with a high proportion of PRS property and that have an above average incidence of ASB in 2 or more of the 4 NCC and Nottinghamshire Police datasets analysed below are considered as suffering from significant and persistent issue of ASB.**

9.2.2 Nottinghamshire Police Data

Nottinghamshire Police recorded 57,014 reports of ASB in Nottingham between August 2018 and December 2021; of which 20,831 were noise related and 36,813 were for other reasons.

9.2.3 Noise Related ASB

Noise related ASB – 20,831 total reports	
Average reports per LSOA	313
Average reports per LSOA with high proportion PRS	148
Average reports per LSOA with low proportion PRS	73
Percentage of reports in LSOA with high proportion PRS	70%
LSOAs with high proportion PRS & above ASB average reports	50

9.2.4 Other ASB

Other ASB – 36,183 total reports	
Average reports per LSOA	199
Average reports per LSOA with high proportion PRS	268
Average reports per LSOA with low proportion PRS	150
Percentage of reports in LSOA with high proportion PRS	73%
LSOAs with high proportion PRS & above ASB average reports	39

LSOAs with a high proportion of private rented sector property were the location of 72% of all ASB reports, despite only containing around 54% of the total households. Twice as many reports of noise related ASB came from LSOAs with a high proportion of PRS, and 1.8 as many reports of other ASB. [Return to Contents List](#)

Nottingham Crime and Drugs Partnership have also produced a report based on the same data set which can be found at Annex xii: *Exploring the Role of Private Rented Households on Rate of Crime and Antisocial Behaviour in Nottingham*.

It concluded that “The crime and anti-social behaviour rate was significantly higher in LSOAs with a proportion of PRS above the City average compared to other LSOAs, and was significantly higher than the Nottingham average. A positive correlation therefore exists between the proportion of households that are privately rented and the rate of crime and anti-social behaviour”.

9.2.5 ASB Reported to Nottingham City Council

Nottingham City Council’s Community Protection team received 41,450 reports and enquiries between May 2016 and October 2021 that were recorded in its FLARE system and could be geocoded to a LSOA.

Of these reports, 4,009 concerned refuse and amenity issues; 17,111 concerned noise; and 10,476 concerned dwelling conditions, which will be covered in section 2. Poor Property Conditions.

9.2.5.1 Waste and Amenity Issues

There were 4,009 reports of issues with refuse, dangerous and overgrown gardens/boundaries and other physical detriment to the neighbourhood and amenity.

Almost twice as many reports arose from LSOAs with a high proportion of PRS property as in other LSOAs, and account for 67% of reports despite containing only around 54% of households.

Refuse and Amenity ASB – 4,009 total reports	
Average reports per LSOA	22
Average reports per LSOA with high proportion PRS	28
Average reports per LSOA with low proportion PRS	15
Percentage of reports in LSOA with high proportion PRS	67%
LSOAs with high proportion PRS & above ASB average reports	59

9.2.5.2 Noise related ASB

There were 17,111 reports of noise related ASB over the period.

Refuse and Amenity ASB – 17,111 total reports	
Average reports per LSOA	199
Average reports per LSOA with high proportion PRS	268
Average reports per LSOA with low proportion PRS	150
Percentage of reports in LSOA with high proportion PRS	73%
LSOAs with high proportion PRS & above ASB average reports	50

As with the Police data, NCC’s data shows noise related ASB presenting at significantly higher level in LSOAs with a high proportion of PRS property.

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9.2.6 Other ASB and Community Protection Notices and Warnings

There were also 1,068 reports of general ASB within the overall dataset, of which 740 (69%) originated from LSOAs with a high proportion of PRS property. 1,256 community protection notices and warnings (that could be geocoded to a LSOA) were issued between May 2016 and June 2021. 62% of these were issued in LSOAs with a high proportion of PRS property.

Of the 98 LSOAs with a high proportion of PRS excluding HMOs, 53 had above average reports of ASB in 2 or more of the 4 datasets – Police ASB (other), Police Noise related ASB, NCC Waste and Amenity, and NCC Noise related ASB.

9.2.7 Compliance activity

Through having to respond to Covid and different ways of working the team undertook more desktop based work and external compliance inspections particularly during 2020 and 2021.

Landlord audits

This work was initially undertaken as desktop activity by administrative staff requiring the landlord to provide evidence of compliance with certain licence conditions such as provision of safety certificates, EPCs, training records and ASB plans. Ensuring that landlords have appropriate safety certificates, training and plans in place to deal with ASB, are all important to ensuring the property is well managed and the licence holder was being proactive. The ASB plan, which is implemented when required is a key tool to deal with ASB in a property by the licence holder intervening, and not wholly relying on the Council or other partners such as the police or universities (if a student property).

The table below shows the outcomes of these:

Outcome	Number of responses	% breakdown of response
CL6 – Satisfactory response	1884	61
CL7 – not satisfactory or nothing received	806	26
CL8 – insufficient information provided more information required	191	6
No outcome (e.g. property sold, empty)	195	6
Total	3076	100%

This evidence shows that whilst almost two thirds of licence holders provided satisfactory responses to the request for evidence of compliance of certain conditions, almost a third of the licence holders provided unsatisfactory or no evidence of compliance. [Return to Contents List](#)

This non-compliance could have been relatively minor, or more significant. Where insufficient information was provided or more information was required these would lead to properties being identified for internal inspections when we returned to these. If there had been 100% compliance with the landlord audits, we would be more confident that should ASB issues arise at the property the licence holder would be in a good place to respond to and deal with the issue, but as there is significant non-compliance there is still work to be done for the Council to be confident ASB issues will be satisfactorily and proactively dealt with by licence holders.

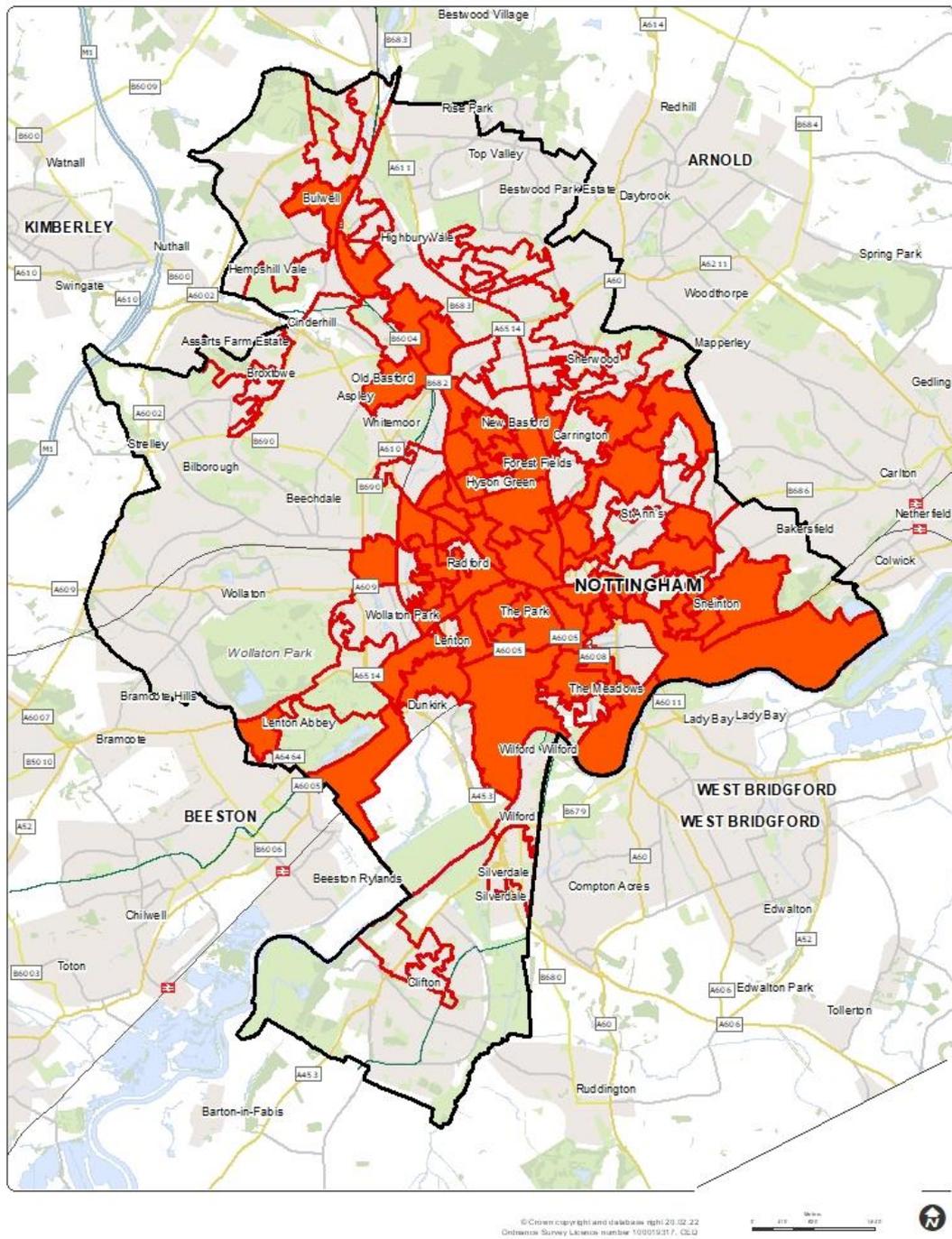
External Inspections

This work was part of the response to not undertaking internal inspections and started in July 2020 as Covid restrictions eased. Undertaking external compliance inspections of licensed properties, gave an opportunity to check compliance with conditions concerning the external appearance. It's proposed this work will continue in the second scheme and from the external appearance will help identify properties that may require an internal inspection. Lack of compliance with the licence condition to maintain the external appearance of the property may be an indicator that the internal condition of the property is not well maintained either.

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9.2.8 Nottingham LSOAs with High Proportion of PRS Properties & 2+ ASB Indicators (Map)

Nottingham LSOAs with High Proportion of PRS Properties & 2+ ASB indicators



- HP PRS
- Above average ASB



9.3. Poor Property Conditions

9.3.1 Introduction and Method

Local Authorities may designate areas that have a high proportion of PRS properties and where it believes a significant number of them should be inspected to determine whether any category 1 or 2 hazards exist with a view to carrying out any necessary enforcement action. Such designations may be made where together with other measures they are likely to preserve or improve social economic conditions or ensure that those properties are properly managed.

This section of the evidence reporting has looked at the geographic coincidence of reported property disrepair and poor condition against the location of private rented sector property.

The guidance contains no statutory definition of what constitutes a “significant number” of properties, but the Council considers those LSOAs presenting an above average reporting of condition issues as being significant.

9.3.2 Poor Property Conditions Reported to Nottingham City Council

Nottingham City Council recorded, via its Community Protection database FLARE, 10,476 reports of poor property conditions between May 2016 and October 2021.

Report categories included those relating to disrepair, damp and mould, overcrowding, statutory nuisance and unfit/not for purpose accommodation (“beds in sheds”). Reports coded to Houses in Multiple Occupation were excluded.

Poor conditions and disrepair – 10,476 total reports	
Average reports per LSOA	58
Average reports per LSOA with high proportion PRS	86
Average reports per LSOA with low proportion PRS	24
Percentage of reports in LSOA with high proportion PRS	80%
LSOAs with high proportion PRS & above ASB average reports	56

Reports relating to poor property conditions are overwhelmingly located in LSOAs with a high proportion of PRS property, with a report being 4 times more likely to occur on average in these LSOAs, than an area with a lower proportion of private rented tenure.

9.3.3 Compliance Activity

Though the Councils inspections of properties within the scheme designation, both pre-licence inspections and the licence compliance inspections (when licence is in force), there is evidence that a significant number of these properties have category 1 and 2 hazards or are being improved through the use of the part 3 licence conditions being applied. Annex iv: *Selective Licensing Scheme Review Update Feb 2022* provides further evidence of this. [Return to Contents List](#)

To date 25% of properties inspected have been improved by either removing category 1 hazards, reducing category 2 hazards or utilising the licence conditions to improve them such as improvements to security, heating systems and fire safety.

9.3.4 Improvements through Accreditation Partners

Also the evidence of our accreditation partners, (DASH, Unipol and ANUK), which is also identified in Annex iv shows the number of hazards removed through their accreditation inspections and landlords engaging with that process, without the need for the Council to intervene. However, it is critical to remember that the number of accredited landlords and properties they manage rose significantly because the selective licensing scheme was introduced. These properties may never have engaged with the accreditation process had selective licensing not been introduced and the burden of inspecting and improving them would have fallen to the Council. This is a real success and shows the value of a complementary approach with accreditation as this has allowed the Council to focus its resources on other landlords that are not engaged in the accreditation process.

9.3.5 Other Work to Assess and Improve Property Conditions

The reviews of the implementation of the Council's existing licensing schemes in *Annex iii: Selective Licensing Mid Scheme Review April* and *Annex iv: Selective Licensing Scheme Review Update Feb 2022* and *Annex v: HMO Licensing Three Year Review Jan 2022* illustrate the effect licensing can have in improving property conditions and demonstrate the track record that the Council has in using licensing schemes as an effective tool to improve property conditions.

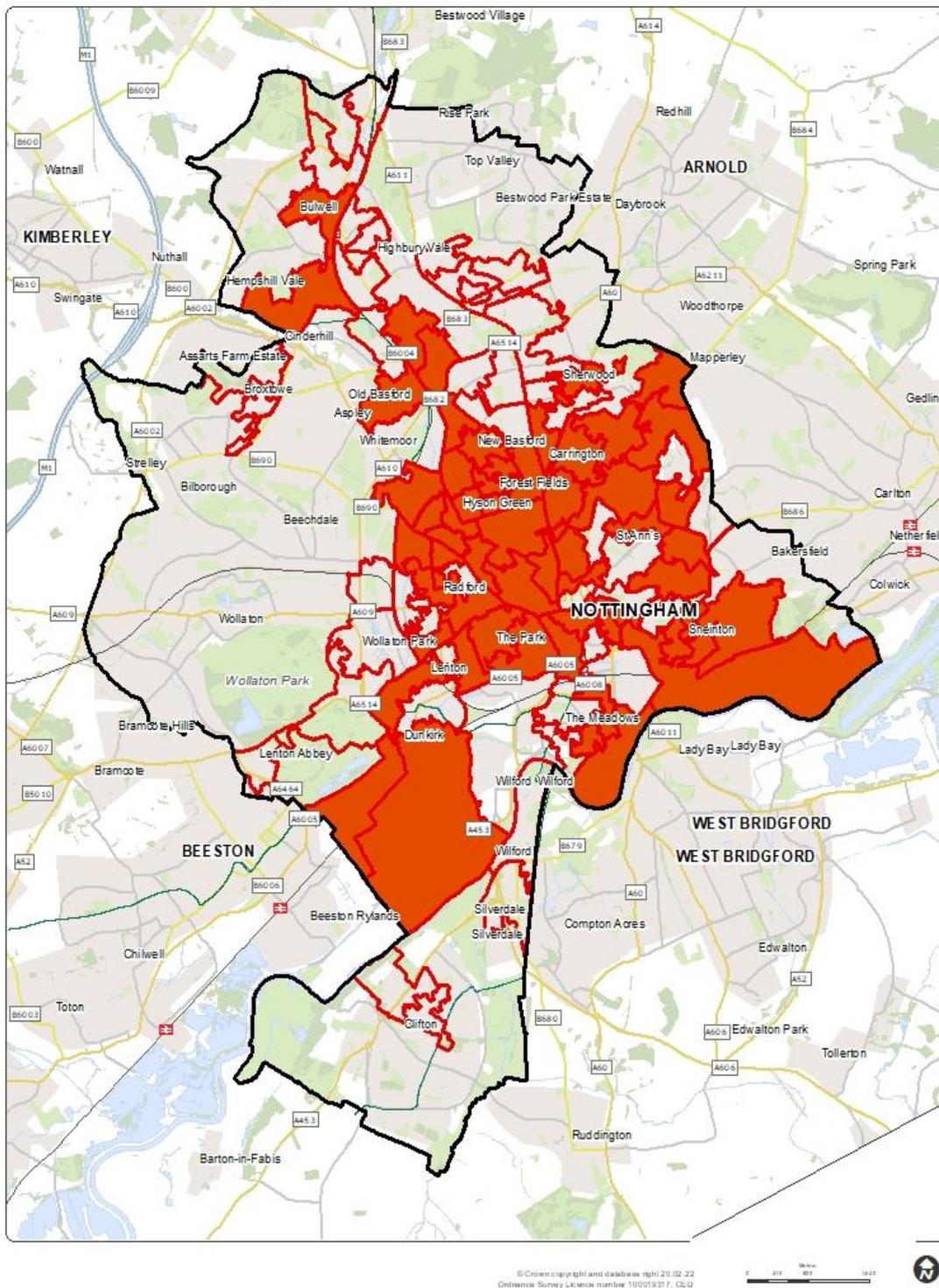
The Council has undertaken a review of property conditions in the Council's area by considering the following:

- Council's complaints data received in FLARE from residents in the PRS
- On-going work by the Joint Audit and Inspection Team (JAIT) – Showing on-going work required in blocks with flats in the City
- Review of EPC certificates within the current selective licensing designation.

The Council continues to receive complaints of poor property conditions from tenants living in the PRS. This, along with the proactive work of the JAIT, the MEES initiative and the selective licensing compliance inspection activity undertaken so far show that there are still properties that have poor conditions within them and that a significant number of them may require inspecting to improve them. The second scheme of licensing, coupled with working with our accreditation and other partners, internally and externally will allow continued improvement to the PRS and support tenants to live in safer, well managed housing, which can impact positively, not negatively on neighbourhoods. [Return to Contents List](#)

9.3.6 Nottingham LSOAs with High Proportion of PRS Properties & Above Average Incidence of Poor Property Conditions (Map)

Nottingham LSOAs with High Proportion of PRS Properties & Above average incidence of poor conditions



- HP PRS
- Above Average level of Poor Conditions



9.4 High Levels of Deprivation

9.4.1 Introduction and Method

Local Authorities may designate areas that have a high proportion of PRS housing and that a significant number of its occupiers are affected by a high level of deprivation. There is no statutory definition of what constitutes a “high level of deprivation” but the Guidance recommends that the following criteria are considered:-

- the employment status of adults;
- the average income of households;
- the health of households;
- the availability and ease of access to education, training and other services for households;
- housing conditions;
- the physical environment;
- levels of crime

The domains and sub domains in the Indices of Multiple Deprivation (IMD), 2019 either reflect these aspects identically or provide a satisfactory proxy for them.

The IMD ranks all LSOAs in England as to their individual performance in each domain from 1 – 34,743; the lower the rank the worse the performance. The IMD guidance identifies the data as being able to be used for “comparing small areas”²⁶

LSOAs that have a worse performance than the Nottingham average for domains and sub-domains that can reasonably be associated with the standard or condition of housing and therefore may benefit from a scheme of licensing and associated activity. Their occupiers will therefore be considered as being affected by high levels of deprivation.

Domain 2019	Sub domain 2019
Index of Multiple Deprivation (overall)	Wider Barriers to Housing
Health Deprivation and Disability	Indoor Living Environment
Crime	
Barriers to Housing and Services	
Living Environment	

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²⁶https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/464431/English_Index_of_Multiple_Deprivation_2015_-_Infographic.pdf

In addition to the IMD, Fuel Poverty (Low Income Low Energy Efficiency formula) performance against the Nottingham average will also be considered.

Where an LSOA has a high proportion of PRS properties and a below Nottingham average performance across 3 or more domain, sub-domain or fuel poverty indexes, it will be considered eligible for inclusion in a proposed designation of selective licensing on the ground of high level deprivation affecting a significant number of occupiers.

9.4.2 National Comparison

The Indices of Multiple Deprivation (IMD) 2019²⁷ ranked Nottingham as the 10th most deprived Local Authority out of 317 in England. This was a relative improvement of 2 places from its position as the 8th most deprived Local Authority in 2015, though still sees the City as an area of significant concern with a complex issues.

This can in part be attributed to Nottingham as an urban centre and deprivation in the heavier weighted domains of income and employment most associated with areas of social housing.

Nottingham overall performs better in the domains and sub domains most directly related to housing - Barriers to Housing and Living Environment, however poor performance appears to be driven by the PRS, where performance deviates negatively from the City average.

9.4.3 Nottingham Comparison

Domain	City Average	Low Proportion PRS	High Proportion PRS	Difference	% change
Index of Multiple Deprivation Rank	8024	7957	8080	123	2%
Health Deprivation & Disability Rank	6400	6857	6238	-619	-9%
Crime Rank	10486	11428	9679	-1749	-15%
Barriers to Housing & Services Rank	13929	15422	12649	-2773	-18%
Living Environment Rank	10349	13928	7282	-6646	-48%
Wider Barriers Sub-domain Rank	8290	10180	6669	-3511	-34%
Indoors Sub-domain Rank	15395	19624	11769	-7855	-40%
Fuel Poor LILEE	18.53%	17.20%	19.67%	2.47%	14%

²⁷ <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

LSOAs with a high proportion of PRS housing, performed worse on average than the remaining LSOAs in Nottingham across all of the domain/indicators except the overall combined IMD.

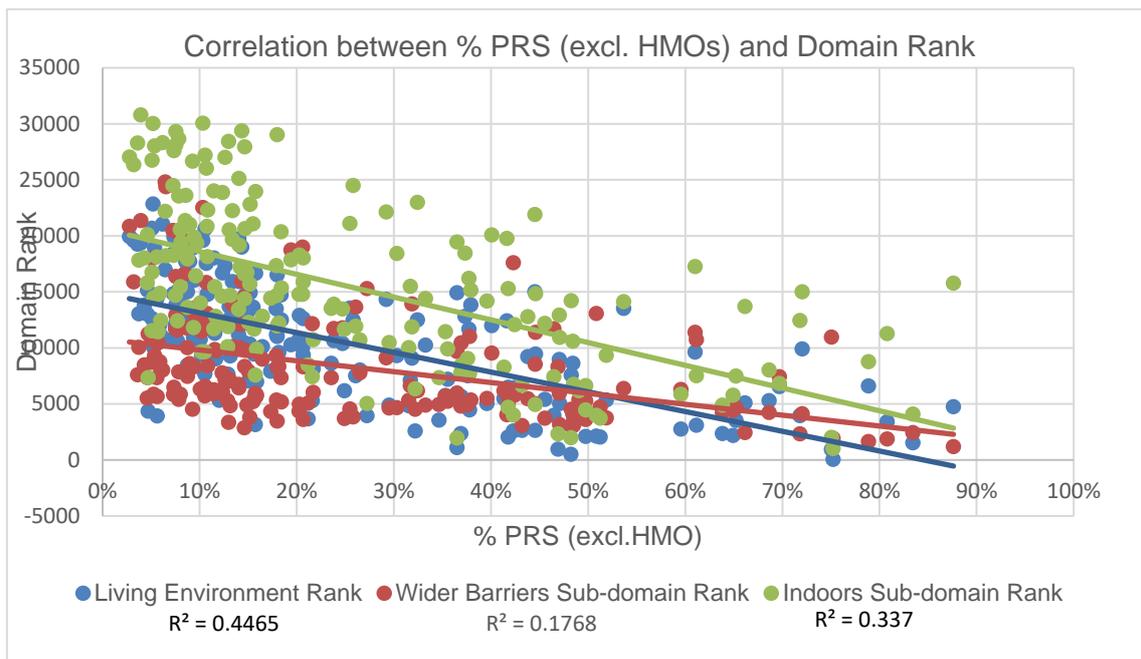
Of the 98 LSOAs with a high proportion of PRS properties, 90 had below Nottingham average performance for 3 or more domains/sub domains/measures.

Domain	High Proportion PRS with below average performance
Index of Multiple Deprivation Rank	58
Health Deprivation Disability Rank	63
Crime Rank	63
Barriers to Housing & Services Rank	58
Living Environment Rank	74
Wider Barriers Sub-domain Rank	72
Indoors Sub-domain Rank	76
Fuel Poor LILEE	55

Domains with below Average Performance	LSOAs with High Proportion PRS
1,2	8
3,4,5	43
6,7,8	47

For the domains that showed the most variance in performance between areas of low proportion and high proportion PRS property, there is clear and statistically significant correlation (with p values below 0.05), the strongest being in relation to overall and indoor living environments. Regression analysis is a statistical method for assessing the relationship between two variables or datasets; in this case the amount of private rented sector housing in an area and the rank in domain/sub domains of the IMD; and assists in forecasting how change in one variable – increase or decrease for example - influences the other.

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9.5 High Levels of Crime

9.5.1 Introduction and Method

Local authorities may include in the designation an area that has a high proportion of PRS housing and is suffering from high levels of crime that affect those living in those private rented properties as well as other households or businesses in the area. There is no statutory definition of what constitutes a “high level of crime”.

The Guidance indicates that in assessing whether an area with a high proportion of PRS properties is suffering from high levels of crime, comparison to local or national rates of crime be explored.

Therefore, LSOAs that have a high proportion of PRS property and an above average occurrence for all dwelling related or located crime are considered to suffer from a high level of crime.

LSOAs with a high proportion of PRS property that have an IMD rank below the Nottingham average have been considered as part of section 9.4 - High Levels of Deprivation.

9.5.2 Nottinghamshire Police Data

Nottinghamshire Police recorded 12,964 reports of Crime in Nottingham between August 2018 and December 2021, where the recorded location was a dwelling and the offence reasonably related to the dwelling, as opposed to occupant behaviour. Crimes included relate to burglary, theft (including vehicle theft), criminal damage, illegal use of utilities and robbery.

Crime – 12,964 total reports	
Average reports per LSOA	71
Average reports per LSOA with high proportion PRS	80
Average reports per LSOA with low proportion PRS	61
Percentage of reports in LSOA with high proportion PRS	61%
LSOAs with high proportion PRS & above ASB average reports	46

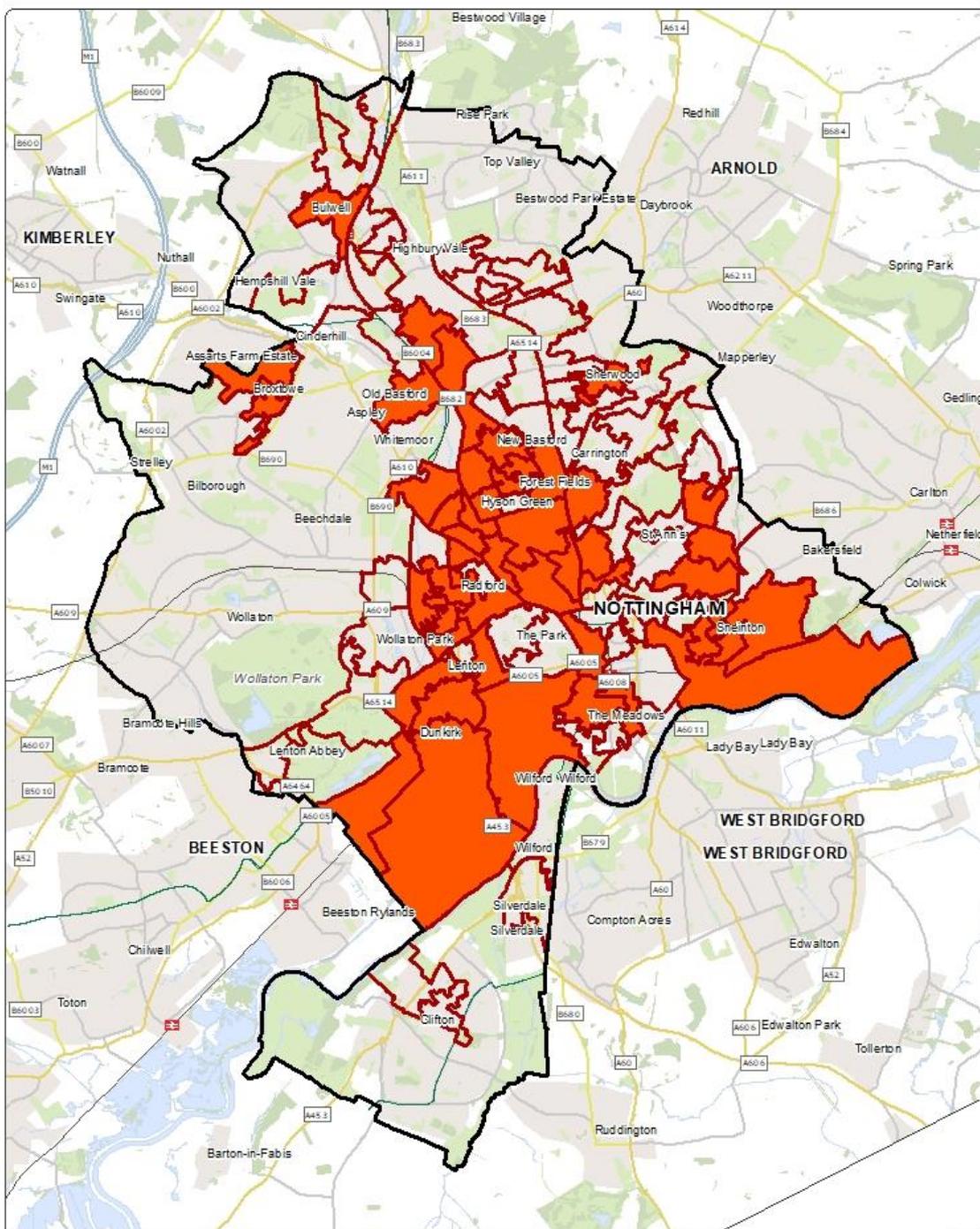
LSOAs with a high proportion of PRS property had 25% more reports of dwelling related crime on average, than other areas.

The Nottingham Crime and Drugs Partnership report attached at Annex xi (referred to earlier) is also based on the same data.

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9.5.3 Nottingham LSOAs with a High Proportion of PRS Properties and Above Average Crime (Map)

Nottingham LSOAs with High Proportion of PRS Properties & above average crime



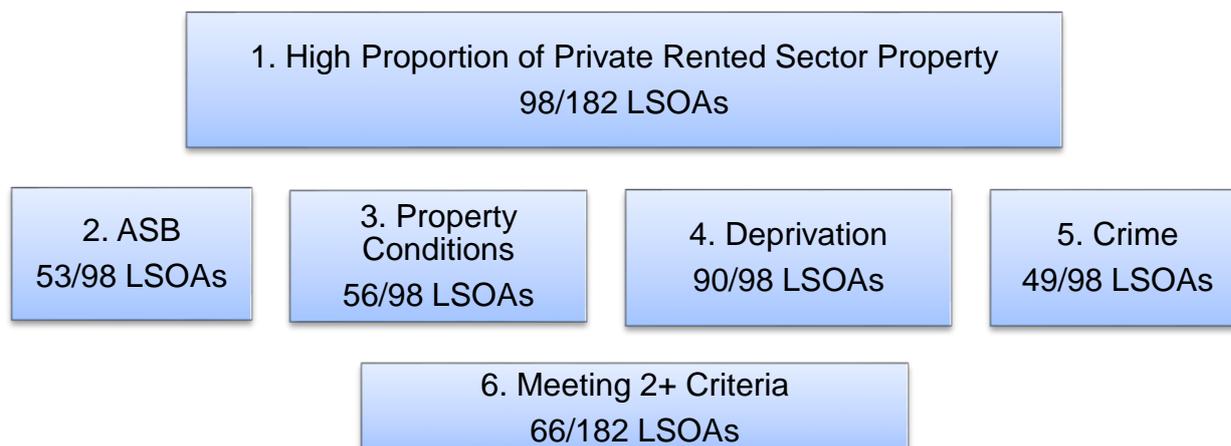
- HP PRS
- Above average Crime



9.6 Areas for Inclusion in Designation

Of the 182 LSOAs in Nottingham City, 66 are considered to meet the threshold for inclusion in a new scheme of selective licensing. These areas have a high proportion of PRS property and meet 2 or more of the 4 statutory conditions considered.

These LSOAs will form the basis of the proposed designation for a new scheme.

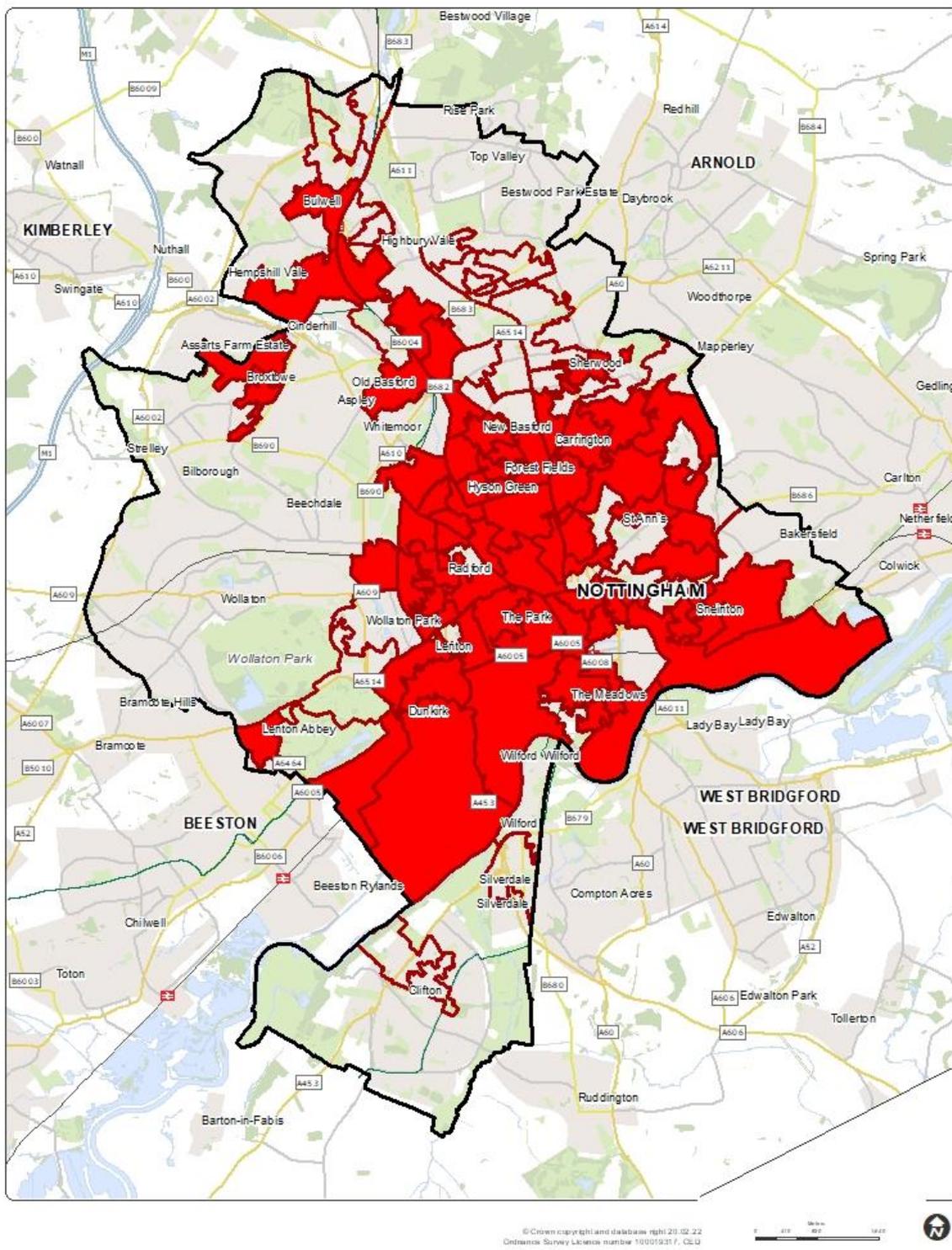


These areas contain approximately 26,000 properties eligible for licensing under a selective scheme, 66% of the single occupancy private rented stock in Nottingham, 19% of the overall housing stock and approximately 36% of the City's geographic area.

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9.6.1 Nottingham LSOAs with High Proportion PRS to Inform Designation (Map)

Nottingham LSOAs with High Proportion PRS to inform Designation

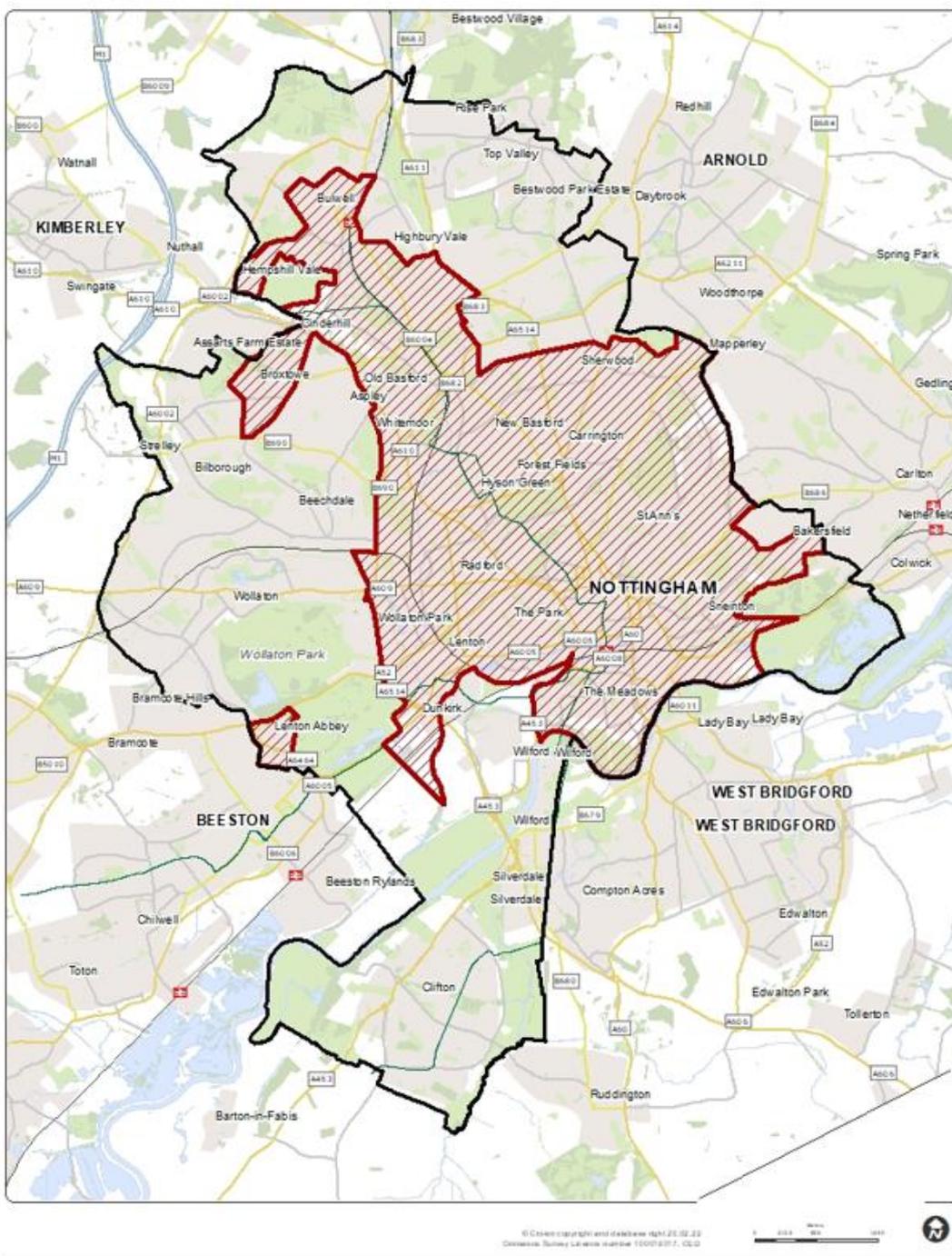


- HP PRS
- For designation



9.6.2 Draft Designation 2023 (Map)

Draft Designation 2023



9.7 Evidence to Designation

The designation has to be underpinned by evidence that a scheme is required and can have impact.

The core of the designation comprises LSOAs (census areas) where statistical analysis showed a high proportion of PRS (excl. HMOs), and that 2 or more of the following issues – ASB, Poor conditions, deprivation and crime - persisted in that area.

This is a change from the last submission where high proportion of PRS and 1 issue was used as the threshold for inclusion in the designation. This change is considered appropriate for a second scheme and reflects broader council considerations in terms of optimising the balance between resources and impact, focussing on areas of multiple issues.

Note some areas have been removed and some new added, further demonstrating monitoring of need and conscientious approach to requesting and using selective licensing.

9.7.1 Designation Comparison

	2018 Current Designation	2023 Proposed Designation
Size (ha)	3871	2994
% of City	52%	40%
Licensable Properties*	32,000	30,700
% City Licensable Properties*	90%	79%
Core LSOAs in designation	88	66

*The amount of PRS in the City has increased by c.3200, but the number of HMOs deducted has fallen by c.1500 which as further contributed to the comparative change in property coverage.

This draft designation will be further informed by the consultation process and the additions of small extensions to the geography or small satellite areas, where a case can be made.

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9.7.2 Scheme Comparison

The geographic extent of the designation and the number of properties subject to licensing therefore, is reduced compared to the current scheme, that was approved by Government and that started in 2018.

The geographic extent of the proposed 2023 – 2027 designation has reduced by 12% in terms of city/local authority area coverage, and by 19% in terms of potentially licensable properties, though this is also as a result of an increase in the overall amount of private rented sector properties over the past 5 years.

The estimated number of properties subject to licensing in the proposed designation is c.30,700, a reduction of 4% against the 32,000 in 2016; however the previous scheme forecast a 75% application rate (24,000 properties), which should be higher going forward with a second, but more compact scheme.

Of the 30,700 properties potentially eligible for selective licensing in the proposed designation, 25,500 (83%) already have a licence.

10. The Proposed Scheme - How it will help to Tackle Problems and the Outcomes We Seek

10.1 Proposed Operating Model and Business Plan

10.1.1 Highlight Summary

- Proposed online applications, with admin fee for paper applications, with presumption to issue licences, unless valid reasons to refuse
- Proposed accredited application fee for individual licences of £630, standard fee of £820 and new proposed less compliant fee of £1110
- Block licence fee for certain blocks containing 2 or more dwellings. The policy was agreed in 2019 and can be found on the Council's website
- Requires landlords to be proactive in managing their properties
- Estimate 30,700 properties will be licensable
- Team of 82 staff (5 year average) to successfully deliver the scheme, including licensing processing, compliance, enforcement and support staff
- Other fees for applicants and landlords who cause extra work ensuring maximum cost recovery
- Proposed support for alms houses and certain co-operatives and charities

10.1.2 Operation of the Proposed Scheme

The introduction of second selective licensing scheme will continue to require an estimated 30,700 privately rented properties into the licensing framework over a 5 year period, the majority of these properties already fall within the current scheme.

The principles of the operation of the scheme once applications are received is to:

- Assess if the proposed licence holder and manager is fit and proper
- Issue the licence with the standard conditions. The licence conditions, along with enforcement and compliance activity are key to achieving improvements in property conditions and management that will be the major driver to achieve the scheme outcomes. [Return to Contents List](#)

-
- Refuse licences or reduce the licence period if there are concerns about the proposed licence holder and or manager not being fit and proper, or property conditions and management
- Encourage and require landlords to adhere to the property conditions with a shift towards greater landlord responsibility for the conduct of their tenants
- Carry out compliance checks and hazards safety assessment
- Advise and support landlords and tenants
- Take enforcement action as appropriate
- Work with partners and stakeholders to add value and benefit

The scheme is for 5 years and there will be a cycle of activity through the 5 year period.

10.1.3 Table 1: Proposed Scheme Annual Priorities

Year	Promote	Process	Engage	Enforcement	Compliance	Review
1						
2						
3						
4						
5						

Building on the learning from the current scheme of licensing, the proposed scheme will operate on the basis of issuing licences based mainly on the information contained in the application form and the applicant’s self-declaration. This will require the landlord to provide the first part of the fee (part A) and good quality application containing all required information and documents as necessary. This will be supported by the Council undertaking a desk top assessment, putting the onus on the landlord to provide the appropriate information necessary to issue or refuse the licence. The learning from the first scheme is to minimise the amount of information required by the landlord at the applications stage. Once draft documentation has been issued and the second part of the fee paid (part B) the Council will be able to issue licences where appropriate.

The objective is to issue licences efficiently so licence conditions are in place as it is compliance with licence conditions that will help secure improved housing standards and management. Licence holders should be proactive in managing their properties and should assess their house, taking action to remove hazards to an acceptable level. Licence holders will be required to have particular safety certificates and written plans in place such as ASB plans and waste management plans as part of the licence conditions.

Processing licences efficiently and effectively coupled with appropriate enforcement of the licence conditions through risk based compliance inspections and enforcement against those not applying are vital to the success of the scheme. This will allow the Council to focus resource on non-compliant and criminal landlords that can be investigated to ensure that appropriate action is taken. Properties operated by these landlords are likely to be the worst managed and maintained properties, posing the

greatest risks to the tenants. This will ensure a robust scheme that should be supported by those good landlords who want to see the whole sector improve.

Landlord accreditation in the private rented sector has been in place in the City for a number of years and is known as the 'Nottingham Standard'. The number of accredited landlords and their properties has increased significantly compared to before the first selective licensing scheme was introduced. The accreditation schemes are operated by DASH, Unipol and ANUK and form a voluntary and market driven approach for improving housing standards. The licence application fee for accredited landlords, in particular reflects reduced compliance activity on these properties, which have to comply with higher standards through the accreditation provider.

A review of the Council's licensing schemes including mandatory and additional licensing scheme can be found in Annex v: *HMO Licensing Three Year Review Jan 2022*. A review of the selective licensing scheme was undertaken in April 2021 and can be found in Annex iii: *Selective Licensing Mid Scheme Review April 2021*. A further review and update can be found in Annex iv: *Selective Licensing Scheme Review Update Feb 2022*.

10.2 Proposed Criteria to be met for Alms Houses, Co-Ops and Charities to Qualify for the Council to Fund the DASH Accreditation Fee on Their Behalf

It is proposed that the Council will support alms houses and certain co-operatives and charities that meet specified criteria below.

10.2.1 Background

These proposals are put forward recognising that some altruistic organisations provide low cost, affordable rented housing in Nottingham, but are still required to be licensed, unlike those providers of social housing which are exempt. These types of accommodation help support those that would not be able to afford to live in the private rented sector and include Alms Houses, some co-ops and some charities. It is proposed that subject to meeting the criteria below, such organisations will be able to obtain / maintain accreditation status with the Council paying the relevant fee to the accredited body, rather than the organisation having to pay it themselves. This will allow the equivalent money to be reinvested into the property to maintain and / or improve it. It is proposed that for an organisation to benefit from this, all of the criteria below would need to be met.

10.2.2 Proposed Criteria

Unless already accredited, the landlord must apply through normal selective licensing process and pay the full fee. If the following criteria are met a refund will be given:

- Licence holder (organisation) must not have a history of non-compliance, on-going investigations, complaints and the licence holder is compliant with current licence conditions;
- Evidence of appropriate governance in place for Housing Co-operatives. This shall include for example the production of certified rules, evidence of minutes of meetings etc. These shall be similar to the requirements within the Housing Act 2004, schedule 14 2B (2) and (3);
- The premises to be licensed is provided exclusively to meet the organisations charitable (or other relevant) purposes;
- Evidence that Property is either being let:
 - rent-free;
 - at an affordable social rent; or
 - for some other negligible fee or maintenance contribution;
- Must be properly registered under appropriate Act (Charities Act, Friends and Provident Act or Co-operative and Mutual Benefits Society) or a member of the Alms Houses Trust (as appropriate).

As accreditation lasts for 3 years and licensing 5 years, when accreditation renewal is due the organisation would apply to the accredited provider who would charge the Council the fee as appropriate. The same evidence would have to be provided at renewal to ensure that the criteria still applies.

11. Success of the Scheme

To ensure the scheme is successful the scheme priorities identified above have been further broken down below.

11.1 Scheme Promotion

The Council will build on the success of the first scheme and have in place a Communications and Marketing Strategy and work with partners to ensure maximum awareness and publicity opportunities. Most current licensed landlord will fall into the second scheme and as such the Council will be able to use the wealth of data on current landlords and managing agents. Working to raise the profile of the scheme in those areas not covered within the current scheme will be important and it may be that some licensed portfolio landlords have properties in those areas, which will help. The Council will promote the scheme through a range of media including:

- Council landlord newsletter. This is one of the top opened Council newsletters with the latest open rate of 51% (Feb 2022)
- Social media – Twitter @NottmRenters and Facebook NottinghamRenters
- Landlord and Managing Agent Forums
- Accreditation partners

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11.2 Effective Licensing Process

11.2.1 Applications Processed in a Reasonable Time

The proposed staffing structure and budget plan will enable applications to be processed in a reasonable time. The Council will aim to determine licence applications within 6 months of a valid application being received. Depending on volume and rate of applications received this may be challenging.

Staffing levels will be monitored to ensure applications will be processed in a reasonable time. It is estimated there will be an annual average of 4342 individual and 18 block licences applications (covering 1258 flats) being received and processed each year. Based on the majority of current licensed properties falling in the proposed designation the Council knows when licences are due to expire, and new applications are likely to be received. It is anticipated that there will be an initial spike in the number of applications when the proposed scheme begins. It is also recognised that the PRS market is complex as landlords buy and sell and new buildings come into the market, so it is impossible to predict exactly how many properties will be required to be licensed at any one time. With the spike in applications early on staff within relevant roles will have to flex to ensure adequate resource available to process these licence applications.

Where new licences are issued, they shall normally be issued from the 'effective date'. Where the application is a renewal of a licence and it is received before the expiry of the current licence, it will be granted to run from the expiry date of the last licence. More details on general administrative practices applied during determination process for licences can be found in Annex vi: Housing Licensing Fee Policy Feb 2022.

11.2.2 Licence Conditions

To ensure the scheme meets the aims it is set out to achieve the licence conditions proposed in Annex i: *Proposed Individual Property Licence Conditions* and Annex ii: *Proposed Block Licence Conditions* will be used. Some of these are statutory conditions required by the Housing Act 2004 and others are proposed conditions that have been developed to ensure improved housing standards, landlord competency, proactive management and to reduce antisocial behaviour. The conditions also include reference to other guidance and information directing licence holders to relevant duties and obligations imposed by other relevant legislation. The conditions have been subject to two reviews during the course of the current scheme and they will be kept under review in any future scheme. Any changes to licence conditions are not retrospectively applied and licence holders should ensure they check what conditions are relevant to the licence they hold for a particular property.

11.3 Engagement and Communication

On-going communication and engagement through the above methods identified in paragraph 1 will be important to share the successes of the scheme. The Council now organises and supports 2 forums, one for landlords and one for managing agents with on-going discussions around a range of issues affecting agents and landlords.

The Council will continue to support the Nottingham Standard accreditation scheme. The Council can quickly and efficiently communicate with accredited landlords through

our partners, as well as through our landlord newsletter and directly if relevant to licence holders and managers. The Council will continue to ensure suitable information will be available to landlords, managing agents, tenants, and other interested parties.

11.4 Enforcement

11.4.1 Proactive Enforcement Activity

Appropriate enforcement will be taken against those not licensing their properties. The team that has been in place for the current scheme will continue to undertake proactive investigations, working with partners to target unlicensed properties. Where properties containing category 1 or 2 hazards are identified appropriate enforcement action using Part 1 of the Housing Act 2004 may also be undertaken. This will help ensure a robust scheme is developed and act as a deterrent for those non-compliant landlords that fail to co-operate. Details of the enforcement activity is published on the Council's website and is available at:

<https://www.nottinghamcity.gov.uk/housingoffences>

11.5 Compliance activity

11.5.1 Risk Based Compliance Inspections and Checks

Once licences are granted then a risk based inspection programme and desk based assessment system will be used to check compliance with the licence conditions. This risk based inspection will consider targeting resources at areas with highest levels of ASB, crime, deprivation and poor property conditions. Where standards fall below the appropriate level, enforcement action may be taken. During the compliance check a hazard assessment under part 1 of the Housing Act 2004 is likely to be undertaken. The Council may move automatically to enforcement action where landlords are found to be letting properties that are unsafe and contain serious hazards affecting the health, safety or welfare of the occupants. This may also lead to licence revocation or reduction in licence length. Undertaking inspections as part of the licensing process will help improve property conditions and ensure that the properties are safer for the occupants.

The Council will expect works to be completed following service of a legal notice or order, in a reasonable time. Where there is non-compliance the Council may seek to undertake works in default, issue a civil penalty or a prosecution through the courts. Some costs for inspection, compliance and enforcement are covered in the fee, some are not and are borne by the Council or are charged back to the landlord.

External inspections of properties and desktop based compliance and enforcement activity is also part of the work to ensure licence holders are complying with their conditions and providing safe, well managed properties and therefore supporting the outcomes of the scheme to help reduce crime, reduce ASB, improve property conditions and reduce deprivation.

11.6 Review of Scheme

A review of the scheme is proposed in year 2 and 4 to assess the scheme's operation. These will be similar to those reviews undertaken in Annex iii: *Selective Licensing Mid*

Scheme Review April 2021 and Annex iv: Selective Licensing Scheme Review Update Feb 2022.

11.7 Assessing the Resource and Fee

11.7.1 Calculating the fee

The proposed licence application fee structure is laid out in Table 2 and 3 below. A more detailed breakdown of all relevant fees and the fee policy is available in Annex vi: *NCC Housing Licensing Fee Policy Feb 2022*. The Council proposes to set the fee at a level that ensures full cost recovery for the scheme and is a balance between a reasonable cost for landlords, whilst also seeking to ensure the scheme is successful, properly funded and appropriately resourced. The fee has been calculated using an updated versions of the Local Government Association (LGA) toolkit and stands up to an assessment of value for money. This spreadsheet calculates the following elements as suggested by the LGA in their June 2017 publication 'Open for business: LGA guidance on locally set fees' and is based on the number of licensable houses. They include the following:

- **Administration** – actual costs of producing the licence, staff costs, photocopying, paper, postage
- **Visits** – time spent inspecting the premises including travel to and from
- **On Costs** – e.g. accommodation, heating, lighting, supplies and services, IT services 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 to be recruited to undertake compliance/enforcement

The allowable costs that are being recovered through the fee include colleagues to:

- process and determine licences variations, revocations, refusals and temporary exemption requests;
- undertake compliance activity;
- undertake proactive investigations and enforcement activity to ensure the scheme is effectively enforced;
- engage with landlords and tenants in delivering the scheme outcomes;
- provide support and management to deliver the scheme.

The fee includes staffing based on 2021/22 salary costs (before any pay award is applied) and may go up or down before implementation due to various influencing factors such as consultation feedback, number of properties in any scheme, legislative changes, inflation rates. So, whilst the fee is indicative, any changes in the fee are likely to be no more than 15% of fee proposed.

The number of Nottingham Standard accredited landlords in Nottingham accounts for approximately a third of all individually licensed properties, and is more than half for block licences. It is estimated that a similar proportion of accredited landlords and their properties will be in the proposed second scheme. The Council and partners continue to work to increase the engagement with good landlords who want to provide a quality

private rented sector. The fee income and staffing resource required is based on the standard fee for all applications. The number of accredited landlords may vary and this may impact on the income and therefore budget and will be monitored to ensure staffing resources reflect this.

11.7.2 Proposed Staffing and Costs

It is estimated that the staffing requirement will be for an average of 82 staff to undertake licence processing and compliance work, enforcement and support and management over the 5 year period. The team will comprise of a number of different posts. The staffing levels shown in this report is based on an average of 28,000 licence applications being made, however, depending on the profile and quality of applications made staffing is likely to fluctuate as the scheme moves forward.

A more detailed breakdown of the proposed fees, other charges and general administrative practices applied during determination process for licences is included in Annex vi: *NCC Housing Licensing Fee Policy Feb 2022*.

11.7.3 Proposed Fees Summary – Individual Licences (*Table 2*)

Description	Comments	Proposed fee
Accredited	The proposed licence holder is accredited with the Nottingham Standard (Unipol, DASH or ANUK)	1 st Payment (Part A) £300 2 nd Payment (Part B) £330 Total £630
Standard	For non-accredited landlords	1 st Payment (Part A) £340 2 nd Payment (Part B) £480 Total £820
Less Compliant	For non-accredited landlords See paragraph 60 – 63 of Annex vi NCC Housing Licensing Fee Policy Feb 2022 for more details of when this may apply	1 st Payment (Part A) £340 2 nd Payment (Part B) £770 Total £1110

11.7.4 Proposed Fees Summary – Block Licences (*Table 3*)

<p>Standard Fee This fee is applicable to an applicant who wishes to apply for a Block Licence, but who is not an accredited Landlord by one of the Council’s recognised providers.</p>	<p>Standard Initial Block Base Licence Fee - £1,840 which comprises of the following: 1st payment (Part A) - £275 2nd payment (Part B) - £1,645 Standard Fee payable for each dwelling within the building to be subject to the licence is £495 which comprises of: 1st payment (part A) - £205 per flat 2nd payment (part B) - £290 per flat</p>
<p>Fee for Accredited Landlord This fee is applicable where the proposed Licence Holder is accredited with the Nottingham Standard (through either Unipol, ANUK or DASH).</p>	<p>Accredited Landlord - Initial Block Base Licence Fee - £1,125 1st payment (Part A) - £275 2nd payment (Part B) - £850 Accredited landlord Fee payable for each dwelling within the building to be subject to the licence is £480 which comprises of: 1st payment (part A) - £205 per flat</p>

	2 nd payment (part B) - £275 per flat
Less Compliant Fee For non-accredited landlords See paragraph 60 – 63 of annex vi NCC Housing Licensing Fee Policy Feb 2022 for more details of when this may apply	Less Compliant - Initial Block Base Licence Fee - £2,295 1 st payment (Part A) - £275 2 nd payment (Part B) - £2,020 Standard Fee payable for each dwelling within the building to be subject to the licence is £480 which comprises of: 1 st payment (part A) - £205 per flat 2 nd payment (part B) - £275 per flat

11.7.5 Officers required and total costs (Table 4)

	Number of staff Per year	Salaries including on costs (£m)	Overhead costs (£m)	Set up costs *2 (£m)	Total (£m)*3
Processing and compliance	53 *1				
Proactive Enforcement	23				
Support and management	18				
Totals	94	£20.972m	£1.355m	£0.081m	£22.408m

*1 average number of staff based on the standard fee

*2 set up costs within the fee include an estimate for publicising the scheme and replacement equipment during the second scheme (NB Exit costs were included in the first scheme, which if this Proposal is successful will not be utilised and would be transferred to the second scheme).

*3 these costs are based on a total of 28,000 dwellings being applied for made up of approximately 21,709 individual and 6,291 dwellings in 90 block applications. Should there be a higher recovery, additional resources will be provided and will be covered by the increase in income

The income will not be received uniformly throughout the 5 year period. An earmarked reserve will be created to be drawn down on as required.

11.7.6 Budget for Non-Recoverable Inspections

The Selective Licencing scheme also includes non-recoverable costs which over the five years are estimated at £0.959m and will require funding from reserves as per the previous scheme. These costs support staffing to undertake statutory part 1 Housing Act 2004 *Housing Health and Safety Rating System (HHSRS)* inspections which cannot be recovered from the licence fee.

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This activity delivers a ‘spend to save’ proactive approach to meeting statutory duties for improving health and safety standards, by requiring landlords to make improvements to properties, thus reducing reactive housing enforcement work delivered by The Council.

Due to demands of the service and the fact that licence applications would not be made uniformly over the five years of the scheme, each year would not be uniformly the same, therefore an appropriate accounting treatment i.e. a ring fenced reserve would need to be applied.

11.7.7 Potential Legislative Changes In the Future

There are proposals currently being discussed for changes to the private rented sector including a register of landlords and requiring properties to be improved to the Decent Homes standard. The Council will monitor these proposals and assess whether there are any changes required as the scheme proposals develop.

Should the above or other changes come into force before or during the selective licensing scheme being implemented, the proposed licence application fee and operation of the scheme may need to change to reflect these.

12. Overall Conclusion

12.1 Why Making a Selective Licensing Designation Will Significantly Assist the Council to Achieve its Objectives

The background information for Nottingham shows that whilst it is a vibrant, attractive and thriving multi-cultural City with a growing population and strengthening economy it suffers disproportionately from issues of deprivation and low income, crime and ASB. The issues of low income are reflected in Nottingham’s significant low levels of home ownership, which mean that a scheme that is aimed at tackling these issues in the growing private rented sector is of strategic significance to the City as a whole.

The evidence to support the Proposal demonstrates a clear link showing that tenure type is a factor in the presence of these issues. The analysis also shows there is a relationship between areas of the City with high levels of PRS and the four requirements of poor property conditions, crime, deprivation and ASB that is stronger than those areas with a low/lower amount of PRS. The Council has reviewed the data and the work undertaken on delivery of its current selective licensing scheme. In doing so the proposed designation is smaller, when compared to the current scheme. It is proposed to be more focussed covering areas of the city where 2 or more of the requirements (above) are met to target areas which are worst affected and where greatest improvements can be made in the City.

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In pursuing a scheme within the proposed designation on these grounds the Council seeks to:

- Tackle antisocial behaviour
- Improve property conditions and management, protecting tenants
- Tackle crime
- Tackle deprivation
- Ensure high standards of accommodation for all by driving up standards in the PRS

Generally, it is acknowledged that selective licensing is not a “silver bullet”. It has been shown in the strategic case for licensing above that it needs to be used alongside a number of other tools and within an overall partnership framework.

Whilst the review of existing licensing schemes shows that to date there has not been a significant reduction in complaints that the Council receives that relate to ASB, licensing is a long term strategy and will not provide an instant solution²⁸(para 66).

The Government recognises that licensing may have to be a long term strategy and that it will not provide instant solutions. It also appreciates that, if in the initial phase there has been little improvement in an area, this does not necessarily mean that a designation is a failure

This is especially the case when dealing with long term issues such as ASB, crime and deprivation. The Council though can clearly demonstrate the effect of licensing schemes on improving property conditions, where it is easier to effect shorter term improvements. The Council believes that these improvements in property conditions will directly lead in the longer term to a reduction in deprivation being experienced within the designation and beyond. Living environment is an important indicator of deprivation and one that Nottingham performs comparatively poorly on although there has been a slight improvement of two places since the first scheme according to the IMD. The evidence shows there is correlation with this and the PRS. The Council believes that further licensing via the proposed scheme will also enable the Council to continue improving conditions in the PRS where they are clearly needed.

The proposed scheme of selective licensing fits entirely with the Council's vision that every neighbourhood is safe, clean and a great place to live. It will also make a major contribution to the key objective of:

“We will tackle poor-quality housing in Nottingham, regardless of tenure and continue to drive up housing standards in the city, ensuring sustainable communities and neighbourhoods for residents.”

²⁸ Selective Licensing in the Private Rented Sector. A guide for Local Authorities. DCLG, 2015

In summary it is the right approach for Nottingham because:

There is robust and compelling evidence to show that it is needed as a wholly complementary tool to use alongside the other initiatives the Council has in place to achieve a better private rented sector.

Existing initiatives and the exercise of available powers other than licensing have not brought about the improvement in the City's PRS which is needed: The Council believes that a second scheme is required to continue to embed the changes and sustain longer term improvement in the PRS.

The government guidance states: "Only where there is no practical and beneficial alternative to a designation should a scheme be made". The Council believes this to be the case.

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Annex

Annex Contents

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- II. [Proposed Block Licence Conditions](#)
- III. [Selective Licensing Mid Scheme Review April 2021](#)
- IV. [Selective Licensing Scheme Review Update Feb 2022](#)
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- XI. [Crime and Drugs Partnership Report 2022](#)

i. Proposed Individual Property Licence Conditions

Licence conditions for privately rented houses

Gas, Electrical, Furniture and Fire Safety

Gas Safety

1. Where gas is supplied the Licence Holder shall ensure that the whole gas installations, including all gas appliance/flue are maintained in a safe condition and that an annual gas safety check is carried out by a Gas Safe registered engineer. Any defects noted on the certificate must be promptly rectified and certificated as satisfactory. The Licence Holder shall provide a copy of the gas safety certificate to all Tenants at the beginning of their tenancy and keep a written record that it has been provided. *
2. The Licence Holder shall within twenty-eight (28) days of any demand by the Council produce for its inspection a gas safety certificate obtained within the previous 12 months in respect of the Property. *

Safety of Electrical Installations Appliances and Furniture

3. The Licence Holder shall ensure that electrical appliances and furniture made available by them in the Property are kept in a safe condition and maintained in proper working order.
* The Licence Holder shall ensure that as soon as electrical appliance and/or furniture is identified as being unsafe, it is removed from the Property as soon as is reasonably practicable and are properly disposed of by the Licence Holder.
4. The Licence Holder shall ensure that a record of visual inspections and testing is maintained for all electrical appliances and furniture made available by them in the Property and shall within seven (7) days of any demand by the Council provide the most recent records of visual inspections and testing carried out within the previous 12 months and provide a declaration as to the safety of electrical appliances made available by them at the Property.
5. The Licence Holder shall ensure that every electrical installation** in the Property is maintained in proper working order and is safe for continued use and shall ensure that a record of visual inspections and testing is maintained. The Licence Holder shall within twenty-eight (28) days of any demand by the council provide the most recent records of visual inspections and testing carried out within the previous 5 years and provide a declaration as to the safety of electrical installation at the Property. *

**“electrical installation” has the meaning given in regulation 2(1) of the Building Regulations 2010.

Smoke Alarms / Fire Detection Systems

6. The Licence Holder must ensure that a smoke alarm is installed on each storey of the Property on which there is a room used wholly or partly as living accommodation and shall

keep each such alarm in proper working order. For the purpose of this paragraph, bathrooms and lavatories are to be treated as a room used as living accommodation. *

7. The Licence Holder shall supply a declaration as to the condition and position of any smoke alarms/detectors in the Property within twenty-eight (28) days of the Council's demand. *

Emergency Escape Lighting

8. The Licence Holder shall ensure that any emergency escape lighting in the Property is kept in proper working order. It shall be maintained in proper working order, tested, inspected and serviced in accordance with the current British Standards or any which subsequently replace these.

Carbon Monoxide Alarms

9. The Licence Holder shall ensure that a carbon monoxide alarm is installed in any room in the Property which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance and must be kept in proper working order. For the purposes of this paragraph, bathrooms, lavatories, halls and landings are all treated as rooms used as living accommodation. *
10. The Licence Holder shall supply a declaration as to the condition and position of any carbon monoxide alarms in the Property within twenty-eight (28) days of the Council's demand. *

Property Management

11. The Licence Holder shall have in place a maintenance and repair process that ensures that requests for service, repair and maintenance works can be raised by Tenants. Any such requests should be addressed as soon as is reasonably practicable with Tenants being kept informed of the status of their requested works and timescales for completion. The Licence Holder shall produce to the Council, records relating to such requested works on demand within 28 days of a request.
12. The Licence Holder shall ensure that the exterior of the Property is maintained in good and clean decorative repair. This shall include maintaining in a tidy condition external cabling and the removal of unused or obsolete equipment installed on the property. Any gardens, yards, paths, drives and guttering are to be cleaned, free from litter and maintained such that their condition does not adversely affect the amenity of the neighbourhood. Gardens, yards, paths, drives and other areas within the curtilage of the Property are to be kept in a safe, clean and tidy condition and free from rodent infestations.
13. The Licence Holder shall make sure that adequate security arrangements are in place and take reasonable steps to achieve property security by complying with the requirements of paragraphs a) to f) below:
 - a) So far as reasonably practicable, any emergency works necessary to protect the security of the property are undertaken within 24 hours of notification e.g. damage to windows/entrance points to the property.

- b) The security provisions for access to the property (locks, latches, deadbolts and entry systems etc.) are maintained in good working order.
- c) Where window locks are fitted, window keys are provided to the occupant(s) of the property.
- d) Where a burglar alarm is fitted to the Property, the Tenant(s) is (are) made aware of the code, how the alarm is operated and the circumstances under which the code for the alarm can be changed.
- e) Where previous Tenants have not surrendered keys, arranging for a lock change to be undertaken, prior to new Tenants moving in.
- f) Where gates with locks are present for access to a yard, garden etc. of the licensed property, provide the key ensuring satisfactory arrangements for the Tenants' access and egress.

Household waste

14. The Licence Holder shall comply with the Council's scheme (as per guidance) which relates to the storage and disposal of household waste at the property pending collection.
15. The Licence Holder shall create a written waste management plan to ensure waste generated from the property is effectively dealt with. The plan should include; how you deal with the storage, recycling and collection of refuse and waste at the start, during and at the end of the tenancy and when the property is empty. Further guidance regarding the information to be included in the waste management plan is provided in Appendix 2. The Licence holder shall provide a copy of the waste management plan within twenty-eight (28) days of the Council's demand.

A waste management plan guidance document is being drafted to support complying with this condition and will be available on the Council's website at www.nottinghamcity.gov.uk/qualityhousingforall

16. At the beginning of a tenancy the Licence Holder shall, provide written information to the Tenants of the Property, which, as a minimum, should include;
- a) which day refuse collections will take place and that it is the Tenants' responsibility to put bins out no earlier than 4pm on the day before collection and to return refuse containers/bins within the boundary of the property by 8am the day after the collection;
 - b) how to sort waste into recycled and non-recycled household waste and which bin to use;
 - c) how to store, clean and maintain the bins;
 - d) details of the Council's bulky waste collection service, missed bin collection service and the local waste and recycling centre;
 - e) details of Tenants responsibility to make arrangements for any extra rubbish that cannot fit in the bins provided to be collected within seven (7) days and/or disposed of sooner as is reasonably practicable. Ensuring that such rubbish, where practicable, is not stored outside, unless in a bin.
 - f) The Licence Holder shall provide a written declaration of the information provided to the tenants, to the Council within twenty-eight (28) days of a demand

17. At the beginning of a tenancy, and in line with the inspection regime as detailed in your licence condition the Licence Holder shall ensure that a full set of bins is available for every six tenants. Bins shall include, a closable bin lid and must be in good working order and of suitable capacity as specified by the Council's scheme. Any alternative arrangements should be fully documented in the waste management plan for the Property.
18. The Licence Holder shall ensure so far as reasonably practicable that commercial trade rubbish/waste is not disposed of in the domestic household bins. Any trade rubbish/waste shall be disposed of as soon as is reasonably practicable or within seven (7) days. The Licence Holder should make adequate arrangements to ensure that such rubbish/waste, where practicable, is stored at the rear of the Property and as a minimum within the boundary of the Property.
19. The Licence Holder shall make adequate arrangements for the collection, storage and disposal of commercial waste by a licensed waste carrier and maintain a record of their details, including their waste carriers licence number. These records should be maintained for the duration of the licence and for 1 year after the licence expires.

Property inspections

20. The Licence Holder shall ensure that inspections of the Property are carried out at least every six (6) months to identify any problems relating to the condition and management of the Property. Written records of such inspections shall be kept for the duration of the Licence. As a minimum requirement, the records must contain a log of who carried out the inspection, the date and the time of inspection and any issues found and action(s) taken. Copies of these records must be provided within twenty-eight (28) days of the Council's demand.

Tenancy management

21. The Licence Holder shall provide Tenants(s) with an information pack at the commencement of a tenancy which contains as a minimum the following information:
 - a) A copy of the Property Licence and conditions.
 - b) Where appropriate, copies of the current gas certificate, electrical safety report and energy performance certificates.
 - c) Details of the procedures to be followed in the reporting of anti-social behaviour (ASB).
 - d) Details of the Tenant(s) duties and responsibilities to enable the Licence Holder or manager in complying with the Licence conditions.
 - e) Details of how to make a complaint, report maintenance issues and make other general enquiries.
 - f) Details of the arrangements in place including expected timescales, to deal with emergency and other enquires or repairs.
 - g) Details of telephone numbers which enable contact between 9am – 5pm Monday to Friday including an out of hours contact number for use in emergencies, which could include a number with a regularly accessed voicemail facility. Any change in contact and/or telephone number details should be provided to Tenants within 24 hours of the changes being made.
 - h) A copy of the waste management plan.

22. The Licence Holder shall provide a written declaration, with evidence of the information provided in condition 24 within twenty-eight (28) days of the Council's demand
23. The Licence Holder shall supply to the Tenants of the Property a written statement of the terms on which they occupy it (e.g. a tenancy agreement or Licence). This statement shall be provided within twenty-eight (28) days of the occupancy beginning and the Licence Holder shall supply a copy of the written statement within twenty-eight (28) days of the Council's demand. *
- The written statement shall be clear about tenants' responsibility for not causing anti-social behaviour and that breach of the statement's requirements may lead to eviction.
24. The Licence Holder shall demand references for new Tenants before entering into any Tenancy agreement with them or allowing them to occupy the Property.* The Licence Holder shall supply a declaration confirming they demanded references within twenty-eight (28) days of the Council's demand

Tackling Anti-Social Behaviour

25. The Licence Holder shall ensure that all reasonable and practical steps are taken to prevent or reduce anti-social behaviour (ASB) or criminality by the occupants of and visitors to the Property. In particular: -
- a) The Licence Holder shall put in place written ASB procedures indicating how complaints made to the Licence Holder will be dealt with, a copy of which shall be provided to the Tenants upon commencement of their occupation and to the Council within twenty-eight (28) days of the Council's demand.
 - b) Where complaints of ASB or criminality are made to the Licence Holder, the Licence Holder shall investigate them and take action to resolve them. Copies of the complaint shall be kept together with notes arising during the course of the investigation and how the matter was resolved; and the Licence Holder must keep them for the duration of the Licence. Where the Licence Holder has reason to believe that criminal activity is taking place at the property, the Licence Holder must ensure that the appropriate authorities are informed.
 - c) There may be instances where anti-social behaviour occurs more than once, but not continuously and possibly intermittently over several months. In such circumstances the Licence Holder shall, as far as is reasonably practicable, take all steps required to ensure that it is effectively managed and dealt with, up to and including eviction.

An ASB guide with good practice to be completed by a Licence Holder can be found on the Council's website at www.nottinghamcity.gov.uk/qualityhousingforall

Notification of change of details or circumstances

26. The Licence Holder must inform the Council within twenty-eight (28) days of any material change in circumstances including:

- a) Change of their residential address or contact details; including when they no longer reside at the address on the Licence, or where the Licence Holder is a business, if their business address has changed.
- b) upon the manager, (where it is an agent, or employee of the Licence Holder) ceasing to act in that capacity or is no longer being employed by the Licence Holder;
- c) any of the matters described within Appendix 3 have occurred in respect of either the Licence Holder and/or the manager of the Property or any persons associated with them;
- d) where the Licence Holder is the manager of the Property, upon them ceasing to be the manager of the property;
- e) change of manager, management arrangements or ownership;
- f) any proposed changes to the structure, layout or amenity provision of the property that would affect the Licence or Licence conditions.
- g) Where the property is sold or enters into a lease agreement with another party.
- h) Where the Licence Holder is accredited by a body approved by the Council upon termination of such accreditation.

NB. Any material change of details or circumstances may require a variation or revocation of this Licence. [Please see **the Guidance Notes** for more information]

Licence Holder Training

27. The Licence Holder must attend relevant training on the law and legal requirements relating to managing privately rented housing at an intermediate level within 12 months of the date the Licence is granted. Example courses to be included in the guidance. [Please see **the Guidance Notes** for more information and Appendix 4].

ii. Proposed Block Licence Conditions

BLOCK LICENCES – ADDITIONAL LICENCE CONDITIONS

The Licence Holder shall put in place management arrangements which ensure the following:

Building Inspections

1. In order to identify any problems relating to the condition and management of the property, inspections shall be undertaken in accordance with the intervals and conditions which follow:
 - (i) inspections to take place at least once a month for all communal areas, including internal and external areas within the curtilage of the property, this must include areas that occupants do not have access to, for example, boiler rooms, storage areas, (note this list is not exhaustive). (This is in addition to Condition 19 of the dwelling licence which is regarding each individual unit of accommodation).
 - (ii) Records of such inspections shall be made and kept for the duration of the Licence. As a minimum requirement, the records must contain a log of who carried out the inspection, the date and the time of inspection and any issues found and action(s) taken. Copies of these records must be provided within seven (7) days of the Council's request to inspect.

Management of Fire Safety

2. Fire risk assessment(s) for the building are recorded and retained. Copies of the fire risk assessment and review findings shall be provided to the Council within seven (7) days of such a demand being made.
3. That all fire alarm and detection systems within all parts of the building shall be kept in proper working order and systems shall be tested regularly in accordance with Regulations relating to each particular piece of equipment.
4. Where an emergency lighting system is provided to the communal areas of the building, it shall be kept in proper working order, in accordance with relevant British Standards. A record must be kept and shall be provided within seven (7) days of the Council's demand.
5. Tenants are provided with clear written guidelines on the fire safety procedures, including details of the safety measures installed, how they operate and what to do in the event of a fire.
6. All Notices containing information about fire safety shall be displayed in a prominent area within the communal part of the Building, as close as possible to the main entrance.

7. All exit routes within the building, such as hallways, landings and staircases, so far as they are under the control of the licence holder and as far as reasonably practical, are kept clear and unobstructed to enable evacuation of the building in the event of fire.
8. Where sprinkler and/or suppression systems are in place to the building, it shall be kept in proper working order, in accordance with the relevant British Standards. A record must be kept and shall be provided within seven (7) days of the Council's demand.
9. A Fire Strategy must be in place for the building, this must detail how the building will react in the event of a fire, and determine the action that must be taken to ensure the safety of the occupants. The Fire Strategy must be documented and include a clear set of measures encompassing fire precautions, management of fire safety and fire protection. The Fire Strategy must be kept and shall be provided within seven (7) days of the Council's demand.
10. Where Automatic Opening Vents (Natural/Mechanical) are in place to remove smoke from the building, they shall be kept in proper working order, in accordance with the relevant British Standards. A record must be kept and shall be provided within seven (7) days of the Council's demand.
11. Where wet or dry risers are in place to the building, they shall be kept in proper working order, in accordance with the relevant British Standards. A record must be kept and shall be provided within seven (7) days of the Council's demand.
12. Where fire refuges are in place, and communication systems installed in the building, they shall be kept in proper working order, in accordance with the relevant British Standards. A record must be kept and shall be provided within seven (7) days of the Council's demand.
13. Where required Personal Emergency Evacuation Plans (PEEP's) must be implemented for occupants that need assistance in the event of an emergency to reach a place of total safety. A record of all PEEP's must be maintained and shall be provided within seven (7) days of the Council's demand.

Maintenance of Common Parts

14. That where an intercom entry system is provided, ensure that the intercom entry system is kept in proper working order.
15. Maintenance and servicing programmes, such as gas appliance servicing, window and guttering cleaning, exterior and interior painting, are carried out in a planned and cyclical manner and with due regard to the convenience of tenants.
16. All redundant materials and debris are removed from site on completion of works within a reasonable time.

17. All maintenance and construction work must be carried out in such a manner so to ensure the health and safety to all persons occupying or visiting the premises.
18. On becoming aware of a pest problem or infestation at the Property, steps must be taken to ensure that a treatment program is carried out to eradicate the pest infestation. Records shall be kept of such treatment programs and these must be provided to the Council within 7 days on demand.

Lift Inspection and Maintenance

19. Where the building is served by lift/s, ensure that they are kept in a safe condition and proper working order. A log is to be maintained of any times when a lift/lifts are non-operational.
20. Where the building is served by lift/s that are for the use of fire fighting, ensure that they are kept in a safe condition and proper working order, in accordance with the relevant British Standards. A log is to be maintained of any times when a lift/lifts are non-operational.

Lighting of Communal Areas

21. All internal and external lighting to the communal parts of the building, which is under the control of the licence holder, must be kept in full working order.

Service Charges

22. Where any service charges are levied by the licence holder, such services and charges are properly specified and detailed in the letting contract. Where tenants are responsible for utility charges they must have reasonable access to any meters that record their utility usage.

CCTV

23. Where buildings are monitored by CCTV notices must be displayed in the entrance or on the external entrance to the building advising persons entering the building that it is monitored by CCTV. Installation and operation must be in accordance with the relevant legislation.

iii. **Selective Licensing Mid Scheme Review April 2021**

Selective Licensing, mid-scheme review April 2021

Summary

This ambitious scheme, one of the largest of its kind in the country, started on 1st August 2018 and is due to run to July 2023. Its implementation followed a commitment to introduce a city-wide licensing scheme which was part of an overall vision of 'Quality Housing for all'.

Key successes

- Over 600 properties inspected, with over 270 improved through pre-licensing inspections (before March 2020, national lockdown)
- Over 1100 external inspections of licensed properties during Covid-19 restrictions in 2020/21
- Reduction of the number of privately rented homes with EPC energy rating below 'D'
- 70.9% of all properties in Nottingham have an EPC (March 2020). This is the highest of all Core Cities.
- 53 Civil penalties issued, 37 of which relate to Selective Licensing
- 13 Landlords prosecuted for 49 offences at 30 properties (27 of these offences relate to Selective Licensing)
- Over 1700 hazards in houses identified by our accreditation partners
- Over 3,450 subscribers to our monthly landlord newsletter and updates
- 48 press releases sent out about the scheme, including updates, enforcement action and prosecutions.

1. Inspection and Compliance activity

As the compliance and enforcement activity continues the scheme will continue to make an impact. So far some of the outcomes are listed below:

Pre-licensing and compliance inspection data from 1 August 2018 to March 2020 (before lockdown)

- Properties inspected - 660
- Properties improved – intervention - 202
- Properties improved – before we intervened - 70

Compliance activity July 2020 – March 2021

- External visits - 1129
- Licence holder self-audit - 616
- Compliant letters sent to licence holder on receipt of satisfactory response to compliance checks – 241

2. Enforcement action

Summary of the investigation and enforcement activity undertaken from 1st Aug 2018 (scheme start) to 31st March 2021

- **53** Civil penalty notices (CPNs), (37 of which were failure to licence under Selective Licensing)
- **13** Landlords prosecuted for 49 offences at 30 properties (27 of these offences relate to Selective Licensing)

- **4607** Landlords issued with legal notices requiring them to provide information

3. Working with our Accreditation partners

DASH, Unipol and ANUK are the accreditation partners that operate in Nottingham, creating the 'Nottingham Standard. Under the Nottingham Standard, partners inspect these properties, which means the Council only has to inspect a small portion, which allows licence holders to receive a reduced licensing fee. A combined total of 1,778 hazards have been identified by DASH and Unipol.

Hazard	Number of hazards identified by DASH	Number of hazards identified by Unipol
Fire safety	527	317
All falls	231	98
Other	104	142
Electrical safety	100	70
Damp and mould	67	40
Excess cold	29	53
Total	1,058	720

4. Engagement, support and liaison

The programme of engagement has included:

- 30 events, with 400 attendees, including support for older landlords and landlords with English as a 2nd language
- 5 larger landlord / managing agent events, each with approximately 100 attending.
- Monthly landlord newsletter and updates being sent to over 3,450 subscribers;
- Separate Landlord and Managing agent's forums set up since July 2020.
- 48 press releases sent out about scheme updates, enforcement action and prosecutions.
- Social media followers – 2,267 social media followers with regular posts.

Some examples of what our tenant support / engagement work has involved:

Securing alternative accommodation for a household illegally evicted, arranging temporary accommodation with homelessness services and longer term rehousing via financial assistance from the credit union and working with the Police and the Law Centre to pursue a prosecution, resulting in a custodial sentence and a pending claim for damages.

Supporting an elderly vulnerable landlord in managing a particularly challenging tenant with severe alcohol dependency issues and rent arrears. We established a repayment plan and secured rehousing for the tenant with a registered provider so that the landlord was able to let the tenancy to a member of her family as a far less challenging tenant.

5. Current and projected position

The current financial position at the end of March 2021 shows we are operating within the business plan and remaining cost neutral, and this will continue to be regularly reviewed. The number of applications we expected to receive was estimated at 24,000 – with changes to the scheme, including block licences this now stands at 26,000. Based on current trajectory, the Council may receive applications covering 28,000 properties (including the flats within the block applications).

Key statistics to 31 March 2021, unless otherwise stated

	Individual Licences	Block Licences	Total individual & dwellings
Licence applications received	22,774*	65 (covering 4,664 dwellings)	27,438
Draft licences issued	20,854	26 (covering 1,898 dwellings)	22,752
Final licences issued	18,669	20 (covering 1,282 dwellings)	19,951
Applications withdrawn, cancelled, refused, transferred to block license	2,474		
Number of individual properties where a licence application has been received	22,099**		

* Not all applications end with a licence being issued due to e.g. applications being withdrawn, cancelled and refused. The total number of applications received will not equal the number of licences issued.

**Some properties have received more than one application

Temporary Exemptions at 31 March 2021

Temporary Exemption requests	925
Approved	571
Rejected	97
Withdrawn	244
To be determined	13

Higher than expected levels of temporary exemption requests (over 900) have been received: these require a response and this has created an unexpected pressure on the team. Where these have expired, these are being followed up.

iv. Selective Licensing Scheme Review Update Feb 2022

Selective Licensing, Scheme Review Update February 2022

Summary

This ambitious scheme, one of the largest of its kind in the country, started on 1st August 2018 and is due to run to July 2023. Its implementation followed a commitment to introduce a city-wide licensing scheme which was part of an overall vision of 'Quality Housing for all'. A team of 75 officers, across 12 different roles (many of whom were recruited from outside the authority) has been established.

Based on this review and the current situation the Council is continuing its work to inspect properties, making them safer for tenants and to ensure licence holders are complying with their conditions. We will continue our work to tackle rogue and criminal landlords and ensure tenants are protected in the private rented sector.

Sections to review

1. **Key successes**
 2. **Outcomes to date**
 3. **Enforcement action**
 4. **Working with our Accreditation partners**
 5. **Engagement, support and liaison**
 6. **Challenges and lessons learned**
 7. **Accuracy of the key assumptions in the business plan**
 8. **Financial assessment including fee structure**
 9. **Impact of Covid-19**
 10. **Future developments**
- Appendix A – key statistics**

1. Key successes

- Over 600 properties inspected, with over 270 improved through pre-licensing inspections (before March 2020, national lockdown)
- 25% of compliance inspections leading to properties improved
- 2155 external inspections of licensed properties
- Reduction to 15.6% (2019) from 25.9% (2018) in the proportion of privately rented homes with EPC energy rating below 'D'
- 70.9% of all properties in Nottingham have an EPC (March 2020). This is the highest proportion of all Core Cities
- 47 civil penalty notices issued relating to Selective Licensing breaches
- 13 Landlords prosecuted for 49 offences at 30 properties (27 of these offences relate to Selective Licensing. In at least one case the same landlord was also prosecuted for failing to licence HMOs).
- Over 2,409 hazards in houses identified by our accreditation partners
- Over 3,901 subscribers to our monthly landlord newsletter and updates
- 27,292 final licences issued covering houses and dwellings (flats in blocks)
- 27,292 houses and dwellings covered by enforceable licence conditions to protect the health, safety and welfare of occupants

- 54 press releases sent out about the scheme, including updates, enforcement action and prosecutions
- Proactive engagement with tenants that have caused ASB and satisfactory resolution of cases, supporting tenants to stay in their property, working closely with landlords.

2. Outcomes to date

2.1 Helping to improve property conditions

This work has been positive, as well as the housing inspections, already mentioned above. As the compliance and enforcement activity continues the scheme will continue to make an impact. So far some of the outcomes are listed below:

Inspection activity August 2018 – January 2022

Internal inspections	1797
External Inspections	2155
Compliant letters sent to licence holder on receipt of satisfactory response to compliance checks.	583
Total number of dwellings (including flats in blocks) where final licences issued and fit and proper assessments have been undertaken	27,292
Properties improved (category 1 hazards removed) ²⁹	235
Properties improved (category 2 hazards reduced)	308
Properties improved proactively by landlords	123
Number of improvements made to properties through licensing	666
Number of inspected properties the 666 improvements related to	446
Percentage of properties inspected that were improved (446/1797)	25%
Number of properties compliant with licence conditions at inspection	630

Out of the 2155 external inspections that have been undertaken 616 have been found to be non-compliant with licence conditions at the time of inspection (29% of properties). The licence holder is required to ensure the exterior of the property is maintained in good and clean decorative repair is well maintained and doesn't adversely affect the amenity of the neighbourhood.

The Council is also working with Community Protection Officers (CPOs) to undertake external compliance inspections with an aim to inspect large numbers of properties in neighbourhoods and, where appropriate, deal with tenant issues on the door step such as waste issues. This work already feeds through to the selective licensing team, but is reactively led. The proposal is to be more proactive and undertake inspections of more properties. The aim is for each CPO to inspect 120 properties a week.

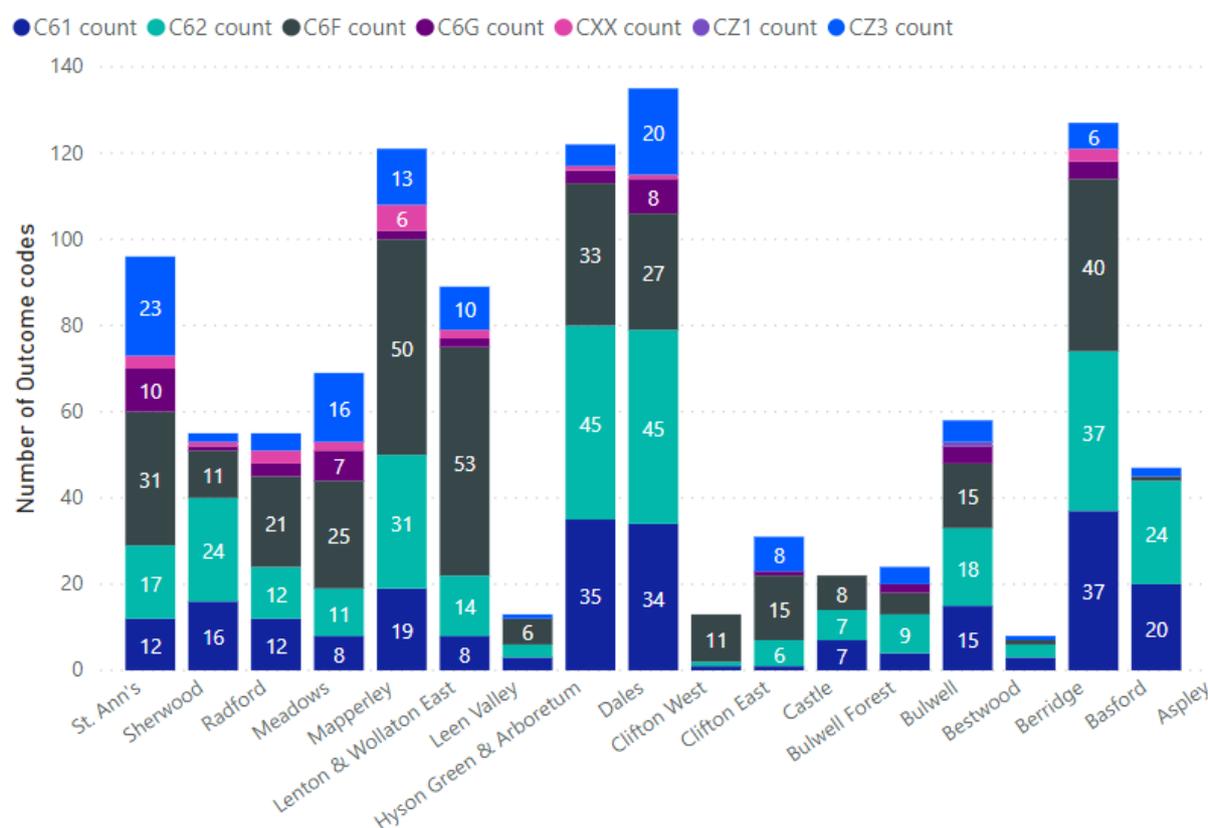
Overall we can see that out of the internal inspections to date 25% of properties have been improved, with a number of properties having both category 1 and category 2 hazards present that have been removed.

²⁹ Housing Act 2004 Part 1

From the BRE report³⁰ (2016) it was estimated that 19% of properties in the private rented sector had a category 1 hazard, so the overall percentage of properties improved is above this percentage. However, the BRE report only identified category 1 hazards so there is no baseline for comparison in relation to these hazards which are specifically referred to in the Statutory Conditions for Selective Licensing.

The bar chart below shows the outcomes of inspections across the wards in the City within the selective licensing designation. This shows the breakdown where properties are being improved, non-compliance and where further investigations may be required. Properties are identified as improved following an inspection, using C61, C62 and CZ3 codes below.

Outcomes by Ward



Legend for above graph

- C61 - Cat 1 removed
- C62 - Cat 2 reduced
- C6F - Licence conditions complied with
- C6G - Licence conditions not complied with
- CXX - Licence conditions not complied with and further investigation required (desktop compliance)
- CZ1 - Satisfactory response to Notification of Concern
- CZ3 - Property Improved – Part Three

³⁰ BRE Integrated Dwelling Level Housing Stock Modelling and Database for Nottingham City Council, 2016, available at <https://www.nottinghaminsight.org.uk/>

Other property improvements

The above results do not include improvements made by landlords where the Council has not inspected. This may be for example where the landlord / tenant confirms improvements through photos or other methods. The Council has identified and removed a further 169 category 1 hazards and reduced a further 175 category 2 hazards from other properties. These are in addition to the 235 category 1 hazards removed and 308 category 2 hazards removed following an inspection (identified above). There have also been improvements made prior to an application being made, or properties being inspected by the Council which cannot be quantified. We also know that through the work done to remove poorly performing properties (low EPC ratings), identified in (below), properties will have been improved and it is highly likely category 1 hazards have been removed and category 2 hazards reduced, particularly for excess cold, but also damp and mould.

Inspecting block licences

Block licences were introduced in 2019 and allow, in certain circumstances, a licence application to be made for a building which contains 2 or more flats. Details of the policy are available on the Council's website.

All block licences are inspected, so the comparison with individual licences is different. Property improvements are still being made, but the experience so far that is, particularly the purpose built or recently converted blocks are generally well managed and up to a good standard. Some of the older, poorly converted block buildings are where there are more issues that require improvements.

Some of the properties that fall within block licences have already been inspected and improved following the creation of the Joint Audit and Inspection Team (JAIT) in 2019, following the Grenfell disaster in 2017 and subsequent Hackitt review (2018). A review of the work of the team and findings, particularly around fire safety can be found at Section 5.7.3 of Appendix 1 Scheme Proposal.

Improving energy efficiency of houses

Improving property conditions can also have the added impact of improving the energy performance and safety of the tenant living in the property. The bullet points below highlight some of the impact that, the Council believes is partly due to the requirement for licence holders to submit EPCs with their licence applications when the scheme started.

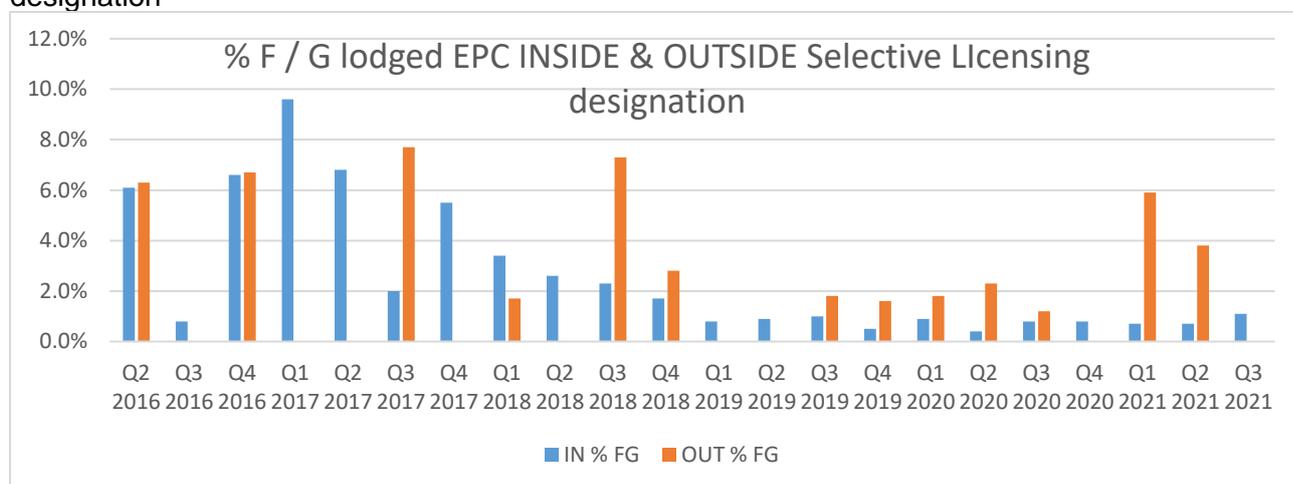
- Significant increase in number of Energy Performance Certificates (EPCs) issued in the private rented sector (PRS) in Nottingham.
- Proportion of PRS homes with energy rating below 'D' reduced from 25.9% in 2018 to 15.6% in 2019.
- Reducing E rated EPC lodgements down from 20.4% in 2017 to 8.3% in Q3 2021 within Selective Licensed area.
- Minimum Energy Efficiency Standard (currently F/G). The PRS EPC lodgements in 2016 showed only 1.5% were F/G failing current Minimum Energy Efficiency Standards. In Q3

2021 this has reduced further at only 1.1%. This equates to only 9 F-G lodged citywide in Q3 2021.

- Data from the Core Cities shows Nottingham at the end of March 2020, having the highest proportion of properties in a core city, with an EPC.

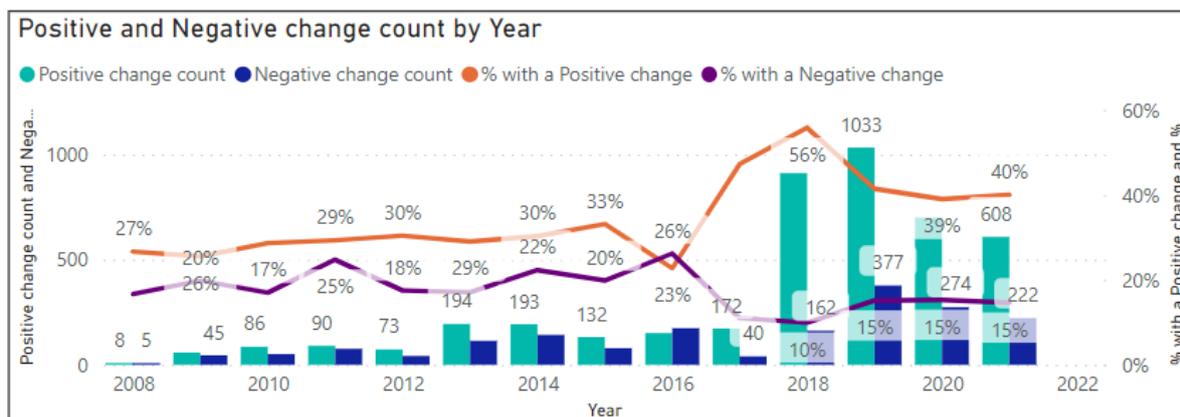
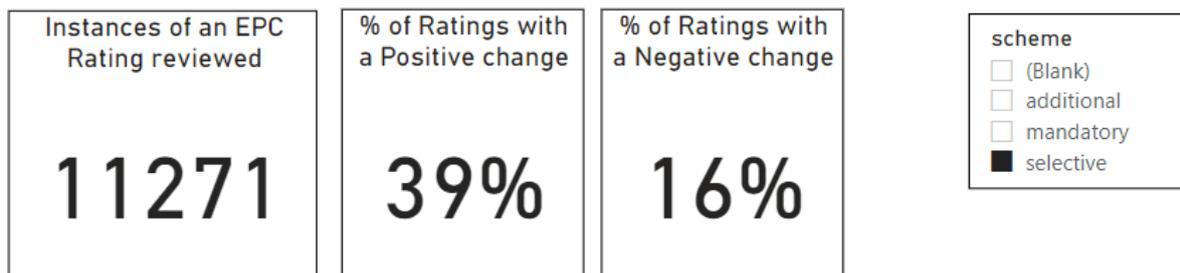
<u>Nottingham</u>	70.9%
Manchester	67.5%
Bristol	60.1%
Leeds	59.7%
Birmingham	59.1%
Liverpool	58.9%
Newcastle	57.7%
Sheffield	54.1%

The graph below shows that since 2018 (selective licensing started) the % of F/G lodged inside the selective licensing designation (area) is consistently much better than outside the designation



When the selective licensing scheme started in 2018 there was a requirement to provide an EPC with the application form. From the details in the graph below, the Council has reviewed the latest available data (September 2021) comparing the number of reviewed EPC certificates for selective licensed properties. The blue and green bar chart below shows the increase in number of positive ratings change of 911 (2018) and 1033 (2019) EPCs suggesting significant numbers of properties had been / were being improved around the time the selective licensing scheme started. This, coupled with the minimum energy efficiency standard (MEES) coming into force on 1st April 2018 for new tenancies would suggest landlords were improving their properties to help achieve compliance with applying for a licence and complying with MEES. It is interesting to note that Nottingham had the highest proportion of properties with an EPC (March 2020 data) in any of the core cities and this increased markedly when selective licensing came into force.

Number and % of EPCs with positive and negative changes 2008 to 2021



Minimum Energy Efficiency Standard (MEES) bid

To support property improvements, energy efficiency and the Council's Carbon Neutral 2028 target, the Council bid, and was successful for funding to improve poorly performing F and G EPC rated properties. More information on this project can be found at section 5.8.2 in Appendix 1 Scheme Proposal.

This work complements the selective licensing scheme in supporting outcomes to improve property conditions, as often the work to improve an EPC involves positive property improvements and energy efficiency measures. These measures help reduce energy use, which is a benefit to the tenant.

2.2 Helping to tackle ASB

One of the aims of licensing is about tackling ASB and providing support to licence holders and tenants. The team has responded to and engaged with licence holders following 594 ASB referrals.

When an ASB referral is received this is logged detailing the property address, complaint type and how many complaints have been received (i.e. 1st, 2nd, 3rd). Where the first complaint has been received or the department has not already contacted the licence holder an officer will contact the licence holder by phone, email or letter to discuss the complaint and advise the licence holder to discuss the complaint with the tenants. The first stage of the process does not require a response from the licence holder. Where a second complaint has been received within 12 month period a further letter will be sent to the licence holder

notifying them of the complaint and to discuss what steps are being taken following the complaint. If there are further complaints there is a further options for letters to be sent. Depending on the level of severity, persistence and seriousness of the ASB, the team will also work with CPO's and the ASB teams to provide a more robust, joined up response.

Being able to engage with licence holders quickly is a key way to reducing repeat ASB issues at properties in the selective licensing area.

2.3 Helping to tackle housing related crime

- Through the licence conditions the licence holder has to ensure maintenance of the property including security arrangements e.g. ensuring the tenant has appropriate keys for doors, gates and windows, along with codes for any burglar alarms.
- Housing inspections also tackle any disrepair linked to 'entry by intruders' which is one of the hazards in part 1 of the Housing Act 2004. Licence holders are responsible for tackling ASB in properties, which may actually be related to low level criminality. As the Council does not record or report crimes it is difficult to directly evidence the impact on helping to tackle crime but Selective licensing will play a part in doing so.
- The licence conditions require the licence holder to report crimes believed to be committed by the tenant to the appropriate authorities
- The work identified in **3 Enforcement action** below also identifies the use of selective licensing in tackling crime as failing to apply for a licence is a criminal offence. Being appropriately resourced to ensure the scheme is properly enforced is a very important part of the scheme.

2.4 Helping to improve deprivation

- Deprivation is measured on a range of indicators including the living environment, barriers to housing and services and crime. Working to improve property conditions in houses, reducing crime and improving communities in the selective licensing area will support tackling deprivation. It is complex to measure / evidence a direct link from selective licensing to an improvement in the overall Index of Multiple Deprivation (IMD)³¹. It is noted that currently the Council is the 10th most deprived Council. At the time of the scheme starting the Council was 8th most deprived, so improvements have been made. Whilst Selective Licensing may not be the sole reason for this improvement it is felt to at least be a contributing factor.

³¹ More information about the IMD can be found here: <https://www.gov.uk/government/statistics/english-indices-of-deprivation-2019>

3. Enforcement action

Summary of the investigation and enforcement activity undertaken from 1 August 2018 (scheme start) to 31 January 2022

47	CPNs for failure to licence under Selective Licensing
13	Landlords prosecuted for 49 offences at 30 properties. 27 of these offences relate to Selective Licensing. In at least one case the same landlord was also prosecuted for failing to licence HMOs.
5864	Landlords issued with legal notices requiring them to provide information
66	Formal written warnings issued in 2020 during Covid-19 lockdown which relate to Selective licensing
916	Letters sent during Covid to encourage applications
3	Rent Repayment Order determinations in relation properties unlicensed under the Selective licensing scheme (2 landlords).
1305	Following investigations and / or enforcement action, the number of selective licence applications received and issued to draft or final stage from scheme start date to March 2022
382	Following investigations, the number of licence applications received from properties that applied for a temporary exemption notice (TEN)
100	Properties have been investigated following the expiry of a TEN with 60 licence application subsequently submitted after these investigations had been undertaken.

The Council has and continues to use its powers to take action against landlords who do not comply with their legal obligations and apply for licences. The visits to unlicensed properties have uncovered imminent disrepair to properties and in particular has noted some smoke alarm systems not working or being completely absent placing tenants at increased risk.

The Council will continue to undertake proactive promotion of the scheme in areas where applications still have not been made, along with enforcement activity utilising a risk-based approach. The Council has used a variety of tools and intelligence including Council Tax data and Housing Benefit data to target landlords at their 'away' address.

4. Working with our Accreditation partners

DASH, Unipol and ANUK are the accreditation partners that operate in Nottingham, creating the 'Nottingham Standard' with licence holders able to receive a reduced licensing fee. When licence holders are accredited they are brought within the Nottingham Standard and as such are inspected by these partners. This means they work to a higher standard than the legal minimum and a percentage of the licence holders properties are inspected to

ensure they are operating at this level. This means that the Council will inspect a smaller percentage of these properties, which allows the Council to offer a reduced fee.

The number of accredited landlords overall has risen significantly since the first selective licensing scheme was announced, much higher than initially forecast. The information below shows that in March 2018, before the scheme started there had, over a number of years been limited engagement by landlords with DASH, however, the numbers registering have increased significantly.

Similarly the number of properties owned / managed by Unipol accredited landlords has increased, however, the overall number of landlords that own those properties has decreased.

The increase in the number of accredited landlords' properties has risen with both DASH and Unipol.

The table below shows the number and percentage change since the scheme started.

DASH	Landlords / members	% change accredited landlords from 2018	Properties	% change in number of properties owned / managed by accredited landlords from 2018
31 March 2018	379		2481	
31 March 2021	1628	330% increase	7206	190% increase
31 January 2022	1466	286% increase	6772	173% increase
Unipol Nottingham Code (off-street properties)				
31 March 2018	271		1436	
31 March 2021	242	11% decrease	1526	6% increase
31 January 2022	249	8% decrease	1585	10% increase
Total for DASH & Unipol				
31 March 2018	650		3917	
31 March 2021	1870	188% increase	8732	123%
31 January 2022	1715	164% increase	8357	113%

The table below shows the similarly significant increase in ANUK / Unipol National Code properties. These are often, but not exclusively purpose built accommodation.

ANUK / Unipol National Codes	Developments	% change in number of accredited developments from 2018	Bed spaces	% change in number of accredited bed spaces from 2018
31 March 2018	64		17,000	
31 March 2021	94	46% increase	21,376	26% increase
31 January 2022	101	57% increase	22,562	33% increase

DASH

Between 1st July 2018 and 18th January 2022, DASH has carried out 1,605 property inspections in Nottingham.

Unipol

Between 1 July 2018 and 31 January 2022, Unipol has carried out 441 inspections of off-street properties, reducing a total of 665 hazards, see table below.

ANUK / National Code

In addition, the National Code has completed a total of 45 visits to developments between 1 July 2018 and 31 January 2022.

In total this means for the period above there have been 1,888 inspections undertaken by our accreditation partners. These inspections and the subsequent property improvements are across the whole city and relate to both licensed and unlicensed properties, single family and HMO properties, so the figures do not directly relate solely to selectively licensed properties. However, as already discussed it is expected that, particularly for DASH the vast majority are likely to be non-HMO properties, within the selective licensing designation. Also, out of the 1585 off-street properties that Unipol's accredited landlords operate in Nottingham, 395 of them are 1 or 2 bedroom properties, so more likely to be subject to selective licensing, as opposed to HMO licensing.

The table below shows the number of hazards removed or reduced from accredited properties by DASH and Unipol.

Hazard	Number of hazards identified by DASH	Number of hazards identified by Unipol
Fire safety	801	294
All falls	352	123
Electrical safety	224	22
Damp and mould	95	36
Excess cold	82	31
Other	190	159
Total	1744	665

From the combined inspections undertaken, a total of 2,409 hazards have been identified by DASH and Unipol between the dates given above.

The Council has a good relationship with its accreditation partners in Nottingham. It has regular meetings to discuss new ways of working, and is involved in complaints, tribunals and on-going reviews of more complex cases through consistency workshops.

Accreditation has a double benefit of a lighter touch regulatory approach for the Council, for example by reducing the inspection burden on it as well as allowing access to resources, training and information to landlords and managing agents. Landlords also benefit for the lower accreditation fee, which is in place as few compliance inspections are undertaken of accredited properties.

5. Engagement, support and liaison

5.1 Proactive engagement

Significant resources and effort have been put into engaging with landlords in order to raise awareness of the scheme, better inform landlords and support them through the process and continue to raise scheme awareness during the scheme. The programme has included:

- Prior to and start of the scheme - included 30 events, with 400 landlords and agents engaged with proactively, including support for older landlords and landlords with English as a 2nd language at libraries and community centres;
- 5 larger landlord / managing agent events, each with approximately 100 attending. The last in person event was in January 2020. An online event was held in autumn 2021, with nearly 300 down to attend;
- Monthly landlord newsletter and updates being sent to over 3,901 subscribers. The number of subscribers continues to increase and it is often the 2nd most open newsletter that the Council issues;
- Separate Landlord and Managing agents forums set up and have met online since July 2020. In the near future it is hoped to move these to in person events.
- 54 press releases sent out about the licensing schemes, including wider updates on what the council is doing in the private rented sector, enforcement action and prosecutions.
- Increasing social media followers – 2,593 social media followers with regular posts about on-going work and compliance activity.

5.2 Landlord and tenant support

Engagement continues through work that supports tenants and landlords when dealing with ASB and to support both parties around maintaining tenancies and therefore reducing homelessness.

A team of officers is in place to support Landlord tenant relations by upholding legal practice in the PRS. Providing objective interventionist advice and assistance in relation to private sector accommodation matters between landlords and tenants.

The team maintains a strategic approach to that casework, taking into consideration the big picture - namely that the Council needs a positive and engaged approach to a healthy PRS, and that requires a rights and responsibilities agenda, that wherever possible does not alienate either party.

The less celebrated end of the PRS is where we have the most challenges with enforcement of licensing and tenancy rights, and these areas tend to accommodate some of the most vulnerable households in the City who are in need of the protection of statutory services more than most.

What impacts on those households, impacts on the Council's public services and budgets too, as it so often picks up the tab for insecurity of tenure and poor housing conditions through homelessness services, social care, the police, as well as the additional pressures on the households themselves, and the health and education services they rely on.

The team has dealt with 211 cases (April 2021 to end Dec 2021) including selective licensed and unlicensed properties, although they aim to deal with 20 new cases a month. Of the 211 properties 53% turned out to be unlicensed properties so we were able to refer these on licencing colleagues to ensure compliance requirements were checked.

Some examples of what our work has involved.

Securing alternative accommodation for a household illegally evicted, arranging temporary accommodation with homelessness services and longer term rehousing via financial assistance from the credit union and working with the Police and the Law Centre to pursue a prosecution, resulting in a custodial sentence and a pending claim for damages.

In response to a complaint to the Council by a tenant about their landlord 'demanding access', liaising with both parties and establishing that in fact the landlord needed reasonable access, and had given Notice for a repair inspection, but the tenant was trying to exclude because they didn't want to address the issue of rent arrears having arisen during COVID lockdown. Housing debt work reduced the arrears, secured reasonable access under COVID recommended protocols for the landlord and prevented any potential for an eviction.

Supporting an elderly vulnerable landlord in managing a particularly challenging tenant with severe alcohol dependency issues and rent arrears. We established a repayment plan and secured rehousing for the tenant with a registered provider so that the landlord was able to let the tenancy to a member of her family as a far less challenging tenant.

The Council continues to support landlords and tenants to try and prevent their suffering reputational damage based on the actions of a minority. It is important to ensure that the profession of landlords is not denigrated by the few rogues operating in our City, any more than that of tenants, who can be routinely stigmatised as 'not looking after their homes'.

The Council assists with securing alternative access to accommodation where necessary and possible, coordinating emergency interventions in cases of illegal eviction, working with agencies from homelessness services to the Police and the Courts, as well as participating in the Council's efforts to reduce statutory applications for rehousing, and thereby reducing the use of bed and breakfast accommodation. In addition the Council ensures that its statutory homelessness, housing advice and homelessness prevention functions are aware

of, and are linked in with, the complimentary efforts and functions performed by Safer Housing.

The Safer Housing team continued to provide advice and support to internal and external partners – in particular colleagues undertaking licensing and enforcement activities, as well as maintaining active liaison with other advisors such as Citizens Advice and student higher education housing advice services.

6. Challenges and lessons learned

- Despite investing a significant amount effort into raising awareness of licensing there is still a number of landlords that have not applied for a licence and the Council continues to receive approximately 150 applications per month. Some are received following investigation and enforcement action, some are new rentals and some are properties which have previously been licensed but have since been sold to a new landlord who subsequently applies. At the current rate between 1 March 2022 and the scheme end (31 July 2023) the Council could receive a further 2,550 new applications.
- On the back of the Grenfell disaster and Hackitt review blocks of flats (some recently built / converted) have come under more scrutiny which were not envisaged when the scheme was being developed. Joint working with Nottinghamshire Fire and Rescue Service is on-going to inspect and audit the significant number of blocks of flats within the City to ensure they are safe, following some local concerns that the sign off of buildings by approved inspectors was not up always satisfactory. Licensing is providing opportunities to inspect, improve and engage with these buildings.
- The block policy introduced in November 2019 has worked well with significant numbers applying through this route
- Digital by default for application forms has created difficulties for some landlords, with the Council offering support and a paper application form as appropriate.
- Engaging hard to reach landlords, ensuring maximum number of applications are received. The Council continues to identify a lack of awareness in neighbourhoods – amongst both landlords and tenants.
- Significant, and above expected levels of freedom of information, temporary exemption and overseas landlord applications have been received. It has been a challenge to review current and create new processes to deal with these issues.
- There is a national shortage of experienced, qualified Environmental Health Officers and other inspecting staff that undertake housing inspections. It has been a consistent challenge to recruit and train officers in these roles and, along with the impact of Covid and finding new ways of working from home, those colleagues that have moved into these roles have taken longer to train and gain the experience to undertake this work.

7. Accuracy of the key assumptions in the business plan

When the first selective licensing scheme was set up certain assumptions were used as a basis for the Operating model and business plan.

Pre-licensing inspections

- What we assumed

A significant number of properties would require pre-licensing inspections based on their risk levels using the information on the application form

- What we found

Whilst there have been a high number of properties improved at the pre-licensing stage often the application forms were not always accurately completed so when inspected properties that were identified as for example having no smoke alarms did in fact have them in place. Also, it meant that properties that would not receive a licence until a property was inspected, delaying issuing the documents.

- What learning and changes we made as a result

Now the Council inspects once the licence has been issued, allowing the Council to apply the conditions and requirements of the licence. The Council also issues guidance information to the licence holder when the draft and final licences are issued allowing the licence holder the opportunity to improve the property without the Council having to take formal action.

The application process

- What we assumed

That as much information as necessary at the application stage would assist with issuing and determining the licence.

- What we found

Requiring applicants to provide lots of information meant that there was more information to input into the application process for the landlord and also for the Council to review and check it was provided correctly at the time. The information and the checks undertaken at the time were helpful, but it did slow down the licensing process, taking longer for the documents to be issued.

- What learning and changes we made as a result

The Council has continued to review its processes to ensure they are as streamlined and efficient as possible for applicants and the Council so they can be more swiftly brought into the licensing regulatory framework.

Number of properties subject to licensing

- What we assumed

At the start of the scheme, using BRE modelling data (best available data at the time) it was suggested there could be up to 32,000 properties subject to licensing. The council estimated that it would receive 24,000 applications.

- What we found

As at mid-February 2022, the council has received 29,296 applications (22,975 individual and 91 blocks (6,321 flats)) and this continues to rise. A significant number of block licences have been brought into the scheme through new developments and on occasions these landlords had not applied initially because they believed they were exempt.

- What learning and changes to actions we made as a result

Applications do not come in in a particular pattern and better communication with all parties about the scheme and who needs to apply for a licence is required.

8. Financial assessment including fee structure

The current financial position at the end of January 2022 is of one that is operating within the business plan remaining cost neutral, and is regularly reviewed. The fee structure was reviewed in October 2019 and there are no proposals to change the fee this financial year. This will however be reviewed in the future and on a regular on-going basis. Whilst there are on-going risks around the licence fees; the Council is confident that there will be sufficient income to continue the scheme to July 2023. Also, as there continues to be new applications made for the scheme and as licences are usually issued for 5 years there it is anticipated that there will be income that will be carried forward beyond 31 July 2023 to support the compliance work of the licences that expire beyond this date.

Below shows the number of licences due as to expire before the end of the current selective licensing scheme, showing that we anticipate applications to continue to the scheme end. These licences that are due to expire are properties that were transferred from the HMO licensing scheme, that used to be licensed as a section 257 HMOs, but the current HMO licensing scheme does not cover these types of properties and the flats within those properties may then be subject to selective licensing.

2022			
January	15		
February	22		
March	4		
April	37		
May	39		
June	29		
July	29	2023	
August	33	January	7
September	56	February	19
October	30	March	12
November	34	April	23
December	19	May	16
		June	19

9. Impact of Covid-19

In March 2020 the impact of Covid-19 was being felt across the world. It would be remiss of the Council if a recognition of the impact on the scheme was not considered as part of the review.

When the national lockdown required working from home the Selective Licensing team adapted incredibly quickly to working from home and adapting to a very different way of working. Some staff that were unable to work from home continued to work in the office.

Those staff that would have been undertaking inspection work refocused their work to, in the main, support the administrative process of determining licences. The move to compliance activity was delayed due to the pandemic following the guidance issued by the Ministry of Housing Communities and Local Government (MHCLG).

A restructure of the team took place in the autumn 2020 with a new team of Compliance Officers starting in January 2021, and a reduction in the number of Licensing Support Officers (administration staff). The Compliance Officers undertake area based compliance activity, which initially started as external inspections, but as the national roadmap has opened up internal inspections now continue.

With the continuing numbers of licences being received and despite the Compliance team starting later than anticipated the Council is now working hard to undertake compliance interventions. These are targeted on 10% of accredited properties and 50% of non-accredited properties, based on the operating model that formed part of the Executive Board report when the first scheme was implemented.

Due to the impact of Covid, (which meant delaying internal compliance inspections) and the continuing number of new licence applications being issued for 5 years the Council is likely continue to undertake compliance activity well beyond the end of the scheme into late 2023 and 2024. Based on inspecting 50% of non-accredited and 10% of accredited properties, the Council aims to inspect approximately 8000 properties, of which it has already inspected 1800. If the current percentage of properties improved stays at 25% of properties inspected, a further 1500 could be improved through the compliance inspections the Council.

Investigations and enforcement activity reduced when the work from home requirement came in. The team reviewed all current cases and in light of the situation at the time (including court delays and the impact Covid had on both landlords and tenants incomes and ability to effect compliance with identified breaches) 75 cases that could have been taken to court or civil penalty were given a written warning. The courts at the time only dealt with emergency cases and even now, as courts have re-opened significant delays are being experienced in dealing with cases. The Safer Housing team however continues to investigate and take legal action on a case by case basis in line with the Council's enforcement policy.

10. Future developments

The Council continues its investigation, enforcement and compliance work to ensure the scheme is a success. This is with aim of continuing to raise property standards of people living in the private rented sector and ensuring licence holders manage their properties and tenants well, to reduce ASB caused by tenants. This will continue until the scheme end date. The council is still determined to meet its aim of 50% of non-accreditation inspections and 10% of accredited properties to be inspected before the end of the scheme. However this poses a significant challenge.

The Safer Housing team will be using new software in the future due to the current software reaching the end of its life. New software will be utilised across the wider regulatory services in Community Protection in 2022/23, before the end of the scheme. This will require a significant amount of input and training for current colleagues to adjust to.

Appendix A

Key statistics to mid-February 2022, unless otherwise stated

	Individual Licences	Block Licences	Total individual & dwellings
Licence applications received	22,975*	91 (6,321 dwellings)	29,296
Draft licences issued	22,915**	86 (5,877 dwellings)	28,792
Final licences issued	21,755**	79 (5,537 dwellings)	27,292
Applications withdrawn, cancelled, refused, transferred to block licence	2,494		
Number of properties with more than licence application	740***		

* Not all applications end with a licence being issued due to e.g. applications being withdrawn, cancelled, transferred to blocks and refused. The total number of applications received will not equal the number of draft licences issued.

** Not all draft licences will convert to final licences due to e.g. being sold, no 2nd payment so proposed to refuse. Some draft licences were issued before they were transferred to a block licence

***Some properties have received more than one application, e.g. sold during the scheme and new owner has to make a new application

Temporary Exemptions at 22 February 2022

Temporary Exemption requests	1054
Approved	665
Rejected	111
Withdrawn	270
To be determined	8

Higher than expected levels of temporary exemption requests have been received: these require a response and this has created an unexpected pressure on the team. Where these have expired, investigations are taking place to check that an application is not required/no offence is being committed.

v. HMO Licensing Three Year Review Jan 2022

A Review of Licensing for House in Multiple Occupation (HMO) in both the Mandatory and Additional Licensing Schemes

Date: January 2022

Key Outcomes

As at the 31st December 2021 the following successes activities had been undertaken;

	Additional	Mandatory	Total
licence applications received	1724	2562	4304
licences granted and in force	1561	2297	3858
licences issued with extra conditions to improve amenities	44%.	40%	N/A
licences revoked	8%	5%	N/A
licences varied	14%	13%	N/A
fit and proper checks carried out for licence holders and managers	2720	3177	5897
gas, electric and fire safety certificates checked prior to granting a licence	3151	4647	7798
licences issued for only 12 months and referred to Planning	64	20	84

Additional

- 406 internal property inspections had been carried out and 40% of those had resulted in further improvement works being necessary.
- 566 external inspections had been carried within 25% of those requiring further improvement works.
- There was a slight downward trend in ASB for additional properties
However it should be noted that the larger additional properties have now passed into mandatory from September 2018 due to the change in mandatory licensing description of a HMO and the removal of the stories requirement of 3 or more.

Mandatory Inspections

- 768 internal property inspections had been carried out and 34% of those had resulted in further improvement works being necessary.
- 1151 external inspections had been carried out with 25% of those requiring further improvement works.
- Still work to do in regards to ASB from mandatory properties.

Notable successes and the hidden benefits of licensing

- The Safer Housing team continued service delivery throughout Covid-19 restrictions.
- During June 2021 the team was able to mobilise to resolve waste issues left by students in the Lenton area at the end of term. The team successfully made phone contact with over 600 HMO licence holders and managing agents within three days who covered over 750 HMOs in the Lenton area.

- Proactive engagement with tenants that had caused ASB and this has resulted in satisfactory resolution of cases.
- Proactive engagement with landlords when ASB had occurred, working to prevent reoccurrences.
- Supporting tenants to stay in their property by working closely with landlords.
- 70.9% of all properties in Nottingham have an EPC (March 2020). This is the highest proportion of all Core Cities.
- Over 1700 hazards in houses identified by working with our accreditation partners.
- Licenced and monitoring of 54 HMOs that provide Asylum Seekers accommodation across the City. Asylum seekers receive basic housing, food vouchers and a certain amount of money whilst they await a formal decision on their application for asylum. They are not allowed to work and often these HMOs provide their only sanctuary and first experiences of living in the UK.
- All licence holders must now undergo suitable and sufficient landlords training as part of their licence conditions, there is currently no national legal requirement for such training.

Background

The aim of licensing is to tackle poor management of HMOs and to improve housing safety, standards and amenity provisions. The Housing Act 2004 (HA) specifies that authorities may take such steps as they consider appropriate (whether or not this involving an inspection) to comply with their duty to satisfy themselves that in relation to each of the licenced HMOs, that it is compliant and free from hazards within a period of 5 years.

Under Part 2 of the HA, there are two types of HMO licensing:

- Mandatory licensing; and
- Additional licensing.

Licensing is mandatory for all larger high risk HMOs which are occupied by five or more persons forming two or more households and sharing amenities such as a bathroom or kitchen. Additional licensing is when a council can impose a licence on types of HMOs for which licensing is not mandatory. The council may do this if it considers that a significant proportion of these HMOs are being poorly managed.

In 2018 the approval was granted by Nottingham City Council (NCC) to introduce a second scheme of discretionary Additional Licensing, starting on the 1 January 2019 and due to end of the 31 December 2023. A set of forward projections were created and used, along with evidence to support the introduction of the second additional scheme. The additional scheme runs alongside the ongoing Mandatory scheme and both are administered by one team, focusing solely on HMO licensing and compliance with those licences.

The Council introduced the Additional licensing scheme in Nottingham to:

- Ensure that HMOs are managed properly.
- Improve neighbourhoods in the designated area.
- Reduce complaints of noise, rubbish, housing disrepair and other anti-social behaviour related to HMOs, by making landlords accountable for their tenants
- Continue to improve the HMO private rented sector.
- Ensure the licence holder and manager are suitable and fit and proper.
- Ensure fundamental basic standards of accommodation are provided including safe gas and electrics and suitable provision of kitchens, bathrooms and room sizes for an appropriate number of occupants.
- Assist in identifying and dealing with rogue landlords.

The Mandatory licensing scheme is the nationwide scheme with no specified end date, whereas the Additional licensing scheme is a locally adopted discretionary scheme, based on evidence and it can run for up to 5-years. The additional scheme covers a designated area of the City based on evidence of poor management giving rise to one or more particular problems such as waste management issues and Anti-social behaviour (ASB) to tie in more closely with the statutory test.

The HMO Management Regulations³² apply specific duties on the managers of HMOs and other legislation that may equally apply to the Houses regardless of tenure.

For the designation of an area to be subject to additional licensing the authority must consider that a significant proportion of the HMOs 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. The licensing schemes aim to protect the health, safety and welfare of all occupiers, whilst helping integrate HMOs into neighbourhoods. Further aims are to help in the reduction of ASB, Crime and homelessness and to improve the quality of the HMO rental stock within the City.

The Mandatory and Additional licensing schemes cover an estimated 4800 HMOs. However, it is estimated there may be up to 6200 HMO in the City, which are non-licensable due to meeting a statutory exemption or being outside of the classes of HMO covered by the Additional Scheme (s257 HMOs) and an estimated 850 are outside of the Additional Licensing designated area.

Learning from the first scheme of Additional Licensing identified that licensing buildings converted solely into self-contained flats known as HA 'Section 257 HMOs' was problematic and complex. For the second scheme a decision was made to remove section 257 HMOs as a whole from Additional Licensing and to instead focus on the individual privately rented flats within such buildings in the Selective Licensing scheme.

The Nottingham Standard of Accreditation

DASH, Unipol and ANUK are the accreditation partners that operate in Nottingham, creating the 'Nottingham Standard'. The accredited members are able to receive a

³² <https://www.legislation.gov.uk/uksi/2006/372/contents/made>

reduced licensing fee in return for their continued work to meet a higher code standard, this is higher than the legal minimum. A percentage of the member's properties are inspected to ensure they are meeting the codes high standard. This means that the Council will only need to inspect a smaller percentage of these properties, which in turn allows the Council to offer a reduction in the fee and target it resources on the less compliant landlords. Close partnership working enables accreditation to play a key role in the overall aims of licensing. Continually working together to improve property conditions and giving advice and training to licence holders and management.

When licence holders are accredited they are brought within the Nottingham Standard. Work is underway to create a stand-alone Nottingham Rental Standard website and it is hoped this will be launched later this year.

Engagement

This work focuses on informing landlords behaviours and supporting them through the licensing cycle and whilst continues to raise awareness of best practice and our ongoing work.

This programme has so far included:

- Over 3,900 subscribers to our monthly landlord newsletter and updates
- Social Media - Facebook likes and followers 2,022 and Twitter 1,408 followers.
- 5 blog articles for landlords
- 4 further special focus news letters about pests, waste Covid 19 and ASB/Noise complaints.
- 6 target email message direct to HMO Licence Holders and managers per year.
- Zoom Landlord Events, with one attracting over 360 landlords to sign up and logged in.
- The introduction of separate Landlords and Letting Agents forums.

The accredited partners also support the Council's engagement activities and this was especial beneficial during the pandemic when they quickly created COVID Q&A and hosted a series of landlords drop in sessions online to support landlords and share the most up to date information and good practice on managing rented properties during the pandemic.

Landlords and Tenants Support

Engagement continues through work that supports tenants and landlords when dealing with ASB and other tenancy matters. Council officers look to support both parties around maintaining tenancies and therefore reducing homelessness. Engagement with agents and landlords through a formal forum has been developed and has been operating for about a year. The forum allows Landlord and Agents to bring forward agenda items for open discussion. The Tenancy Matters team regularly meet with the University support services to help understand and resolve issues.

The Council understands that HMOs offers a valuable range of low cost accommodation for working professional shares and to some of the most vulnerable, households in the City. COVID has heightened related tensions in the private rented

sector, with it having to deal with reduced income levels, leading to arrears - for both landlords and tenants - combined with insufficient financial support and a lack of redress being available at Court.

Student tenants were also badly effected as they were tied into rental contracts and unable to attend University which resulted in many returning to their family homes during lock down and suffering financially. A team of officers is in place to support Landlord tenant relations by upholding best legal practice in the private rented sector. Providing objective interventionist advice and assistance in relation to private sector accommodation and ASB matters between landlords and tenants.

Operational Delivery & Covid 19 Impact

Due to the forward thinking of the council to introduce a further additional and the first selective licensing schemes prior to the Pandemic, it has meant that Nottingham City is and was in a more favourable position than many other cities nationally. Due to mostly city wide licensing the council now understand the housing stock and its conditions more in the Private Rented Sector (PRS). It has allowed the teams to continue to target and engage with a large number of landlords and property managers to monitor and improve many HMOs through licensing and its associated activities during this period.

By March 2020 and only 15 months into the second additional licensing the impact of Covid-19 was being felt across the world. The national lockdowns required working from home for a large proportion of the HMO licensing team.

Some staff were still required to work in the office to keep essential part of the service operational to allow such things as physical printing and postage or some legal documentation, where email service was not possible. Some officers that were also unable to work from home have continued to work in the office.

The whole HMO team was quickly refocused in the main to the administrative process of determining and issuing licence decisions.

The team currently has 471 licence applications to process 190 Additional and 281 Mandatory. The team aims to have applications determined within six month of receipt of the duly made application.

The move to the planned compliance activity was delayed due to the pandemic. A limited amount of internal inspection took place at the height of the pandemic, due to the guidance issued by the Ministry of Housing Communities and Local Government (MHCLG). However, despite this the Council still managed to carry out internal compliance inspections of 24% of the licenced properties within the Additional and 20% in the Mandatory schemes. The Additional scheme still has a further 24 months to run and will only continue to improve on this inspection rate. Operational risk assessments to safeguard staff wellbeing and that of managers, landlords and occupiers are continually being reviewed to facilitate these activities safely.

Additional Complaints (Part 1 disrepair)

270 HMO complaints were received and 32% of those required an inspection visit with others were managed via video calls to assess disrepair.

Mandatory Complaints (Part 1 disrepair)

740 HMO complaints were received and 25% of those required an inspection visit with other were managed via video calls to assess disrepair.

Investigations and enforcement activity reduced across during this period and a review of all open investigations was undertaken. This resulted in a large number of cases that could have been taken to court or issued with a civil penalty being given a written warning. This route of discharge was implemented early on following the Ministry of Housing Communities and Local Government (MHCLG) guidance on pragmatic enforcement. The courts at this time were only dealing with emergency cases and even now, as courts have re-opened there are significant delays being experienced. The team continues to investigate and take legal action on a case by case basis in line with the Council's enforcement policy and Government Guidance.

The Council is introducing a hybrid working style with many officers working two to three days per week in the office or on district and working the remaining days from home.

Enforcement

Enforcement work has had a positive impact over the three years in review, as the compliance and enforcement activity continues to develop the HMO schemes will continue to make an impact on the poorer properties to drive up standards and find unlicensed properties and less compliant landlords.

- 168 investigations opened into unlicensed HMOs
- 11 Civil Penalty Notices (CPN) Served on unlicensed HMOs
- 5 prosecutions for unlicensed HMOs
- 25 enforcement notices served at additional properties
- 216 less compliant properties have been identified and paid the higher fee

Compliance

A revised compliance system commenced in September 2021 which is more focused on outcomes and has a 3-tiered approach to achieve an improvement in management and housing standards in licensed HMO properties.

Tier 1 – Licence Holder Compliance Audits - this is a desk top audit of documents required to satisfy the licence conditions. Will be a focus throughout the remainder of the Additional scheme checking safety certificates such as fire, gas and electric, as well as anti-social behaviour (ASB) action plans.

Tier 2 – External Inspections - this is a physical inspection of the external areas and fabric of the property. A focus on external compliance of properties began in July 2020, it is designed to maximise time spent on district and inspecting HMOs in problematic

neighbourhood. Tier 2 External compliance focuses on thirteen commonly found issues. Table 1 shows commonly found conditions, Tables 2 & 3 show the ward coverage and number of licenses in force and properties visited.

Tier 3 – Internal Inspections - this is a physical internal inspection of the property. This activity will be focused on complex interventions for the more high risk properties that have either paid the less compliant fee at application or have been brought to the team’s attention for other reasons.

With the focus of our work shifting to outcomes, some further reports have been developed to capture some of this work in a more meaningful way. Below are a selection of graphs designed to showcase the Tier 2 compliance work. Further reports are being developed and will be available later in the year.

From the initial results of the Tier 2 work we are confident that every licenced HMO will be visited annually. This is a massive improvement for our service delivery and again a hidden benefit of licensing that enables NCC to meet the duties under the HA to keep the housing stock under review.

Table 1 – Types of Issues

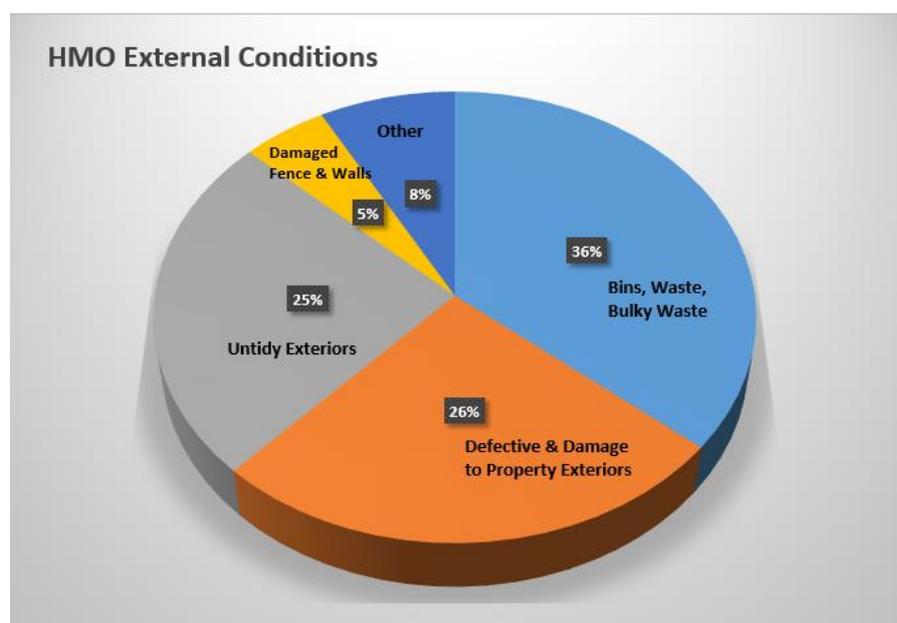


Table 2 – Tire 2 External Compliance Inspections

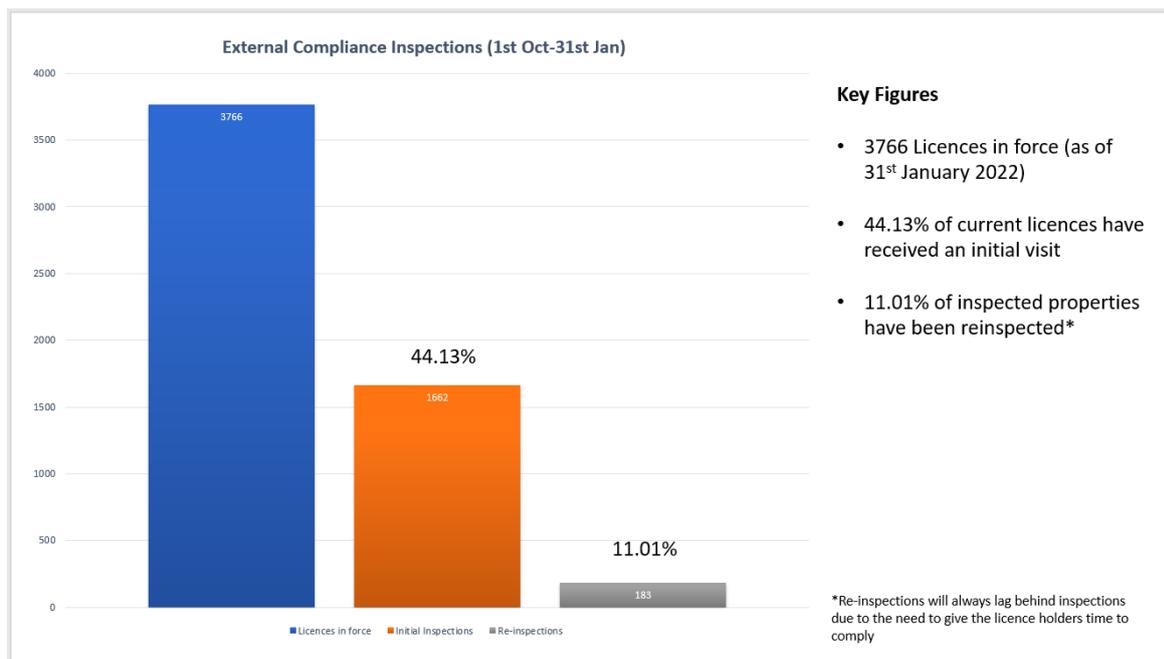
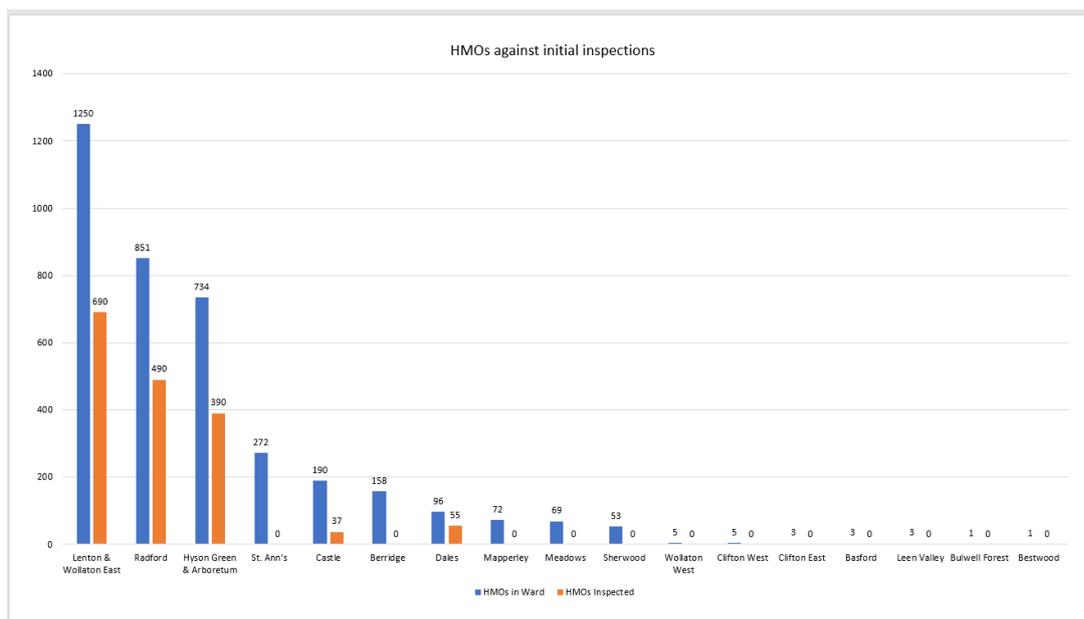


Table 3 – Tier 2 External Compliance by Ward

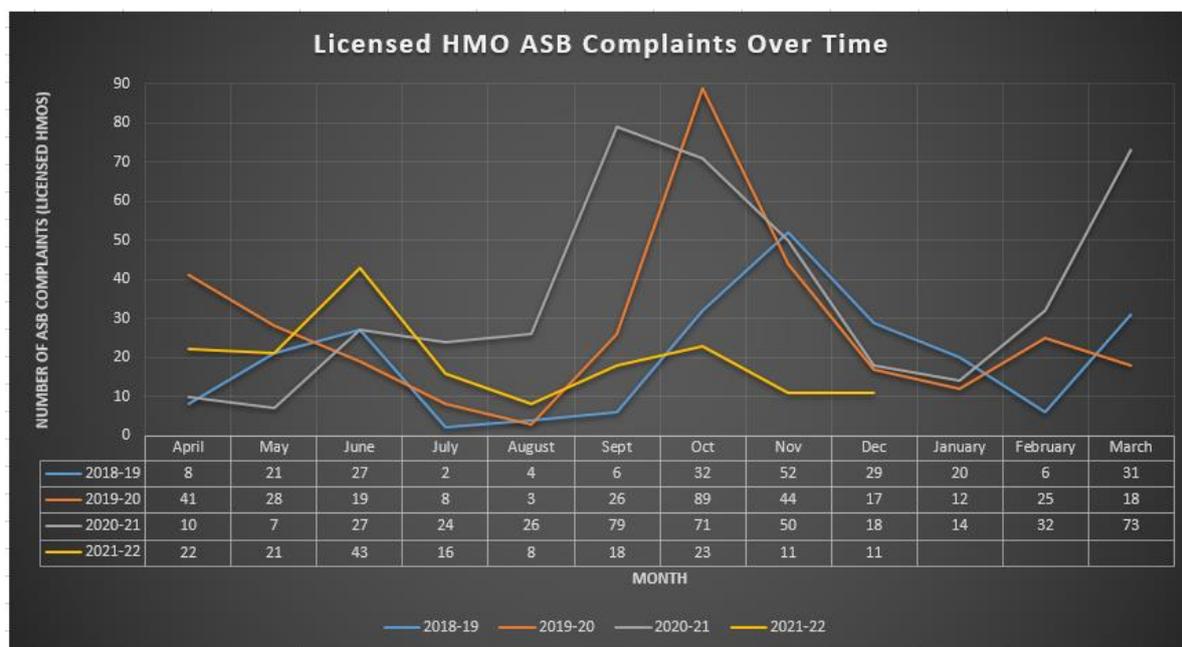


Tackling ASB in HMOs with a Licence.

One of the aims of licensing is about tackling ASB and providing support to licence holders and tenants. The number of ASB referrals to the team has been captured in Table 4 below and show similar patterns. It is worth noting that a higher proportion of the ASB complaints are made and coincide with University team times.

When an ASB compliant referral is received by the HMO team this is logged on the property address, complaint type and how many complaints have been received (i.e. 1st, 2nd, 3rd).

Table 4 - ASB Compliant by Year



Where the complaint has been received a compliance officer trained in housing ASB will contact the licence holder by phone, email or a first letter to discuss the complaint and/or advise the licence holder of the complaint and asked them to discuss the complaint with the tenants. The first stage of the process does not require a response from the licence holder. Where a second compliant has been received within 12-month period a further letter will be sent to the licence holder notifying them of the complaint and asks them to detail what steps are being taken following the complaint. Since this intervention was introduced many second complaints have been reduced.

The licence condition requires that all reasonable and practical steps are taken to control and reduce the ASB occurring at the licenced property. If there are further complaints further options are considered that may include enforcement where the licence holder is not proactively engaging and managing the problem. Depending on the level of severity, persistence and seriousness of the ASB, the team will also work with CPO's, ASB teams and may coordinate with the Police and Universities.

The level of repeat issues at properties and the way licence holders engage and tackle ASB is a key way that licensing can be used to resolve and reduce ASB in licenced HMOs quickly and without further interventions becoming necessary.

The following tables have been added by scheme to highlight some of the trends identified through more targeted and detailed reporting. Due to the increasing trend in

mandatory HMO reports, dedicated officers have joined the team to work with other departments within the council, external partners such as the Police and Universities along with licence holders and managers to remediate these issues. However, some of the increase in mandatory property complaints can be linked to the change in legislation 2018 with many larger additional properties pass porting into mandatory licensing.

Table 2 – Additional Licensing Complaints

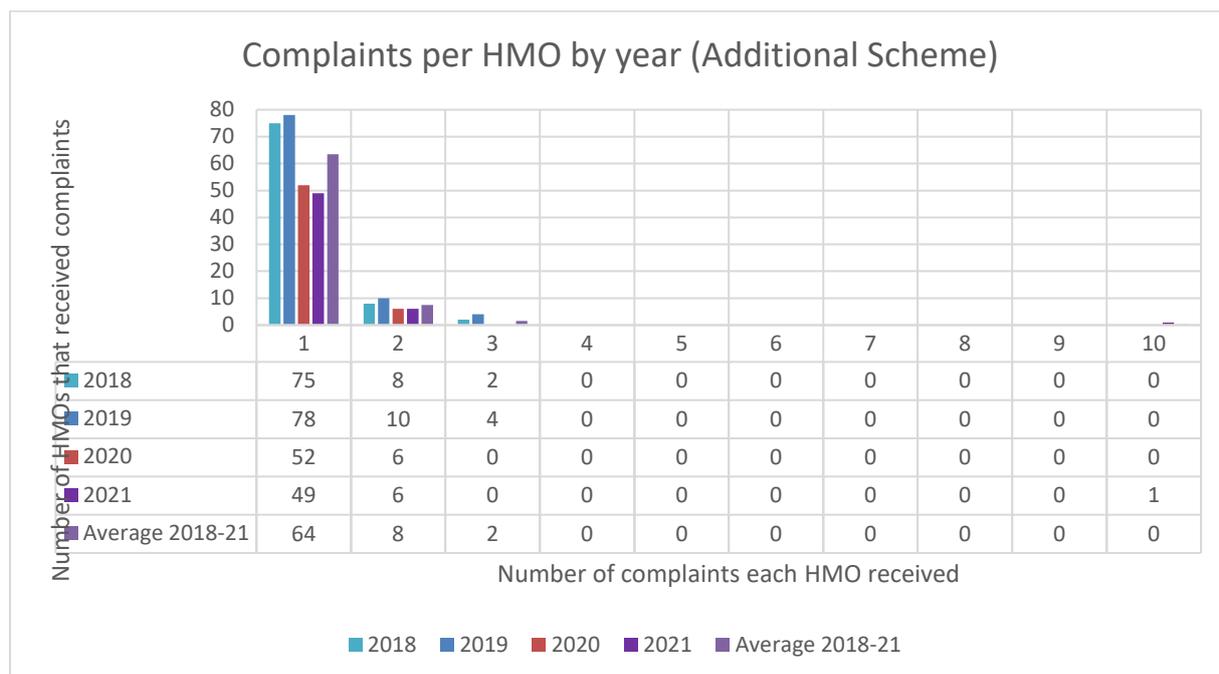


Table 3 – Additional Licensing Trend Reducing

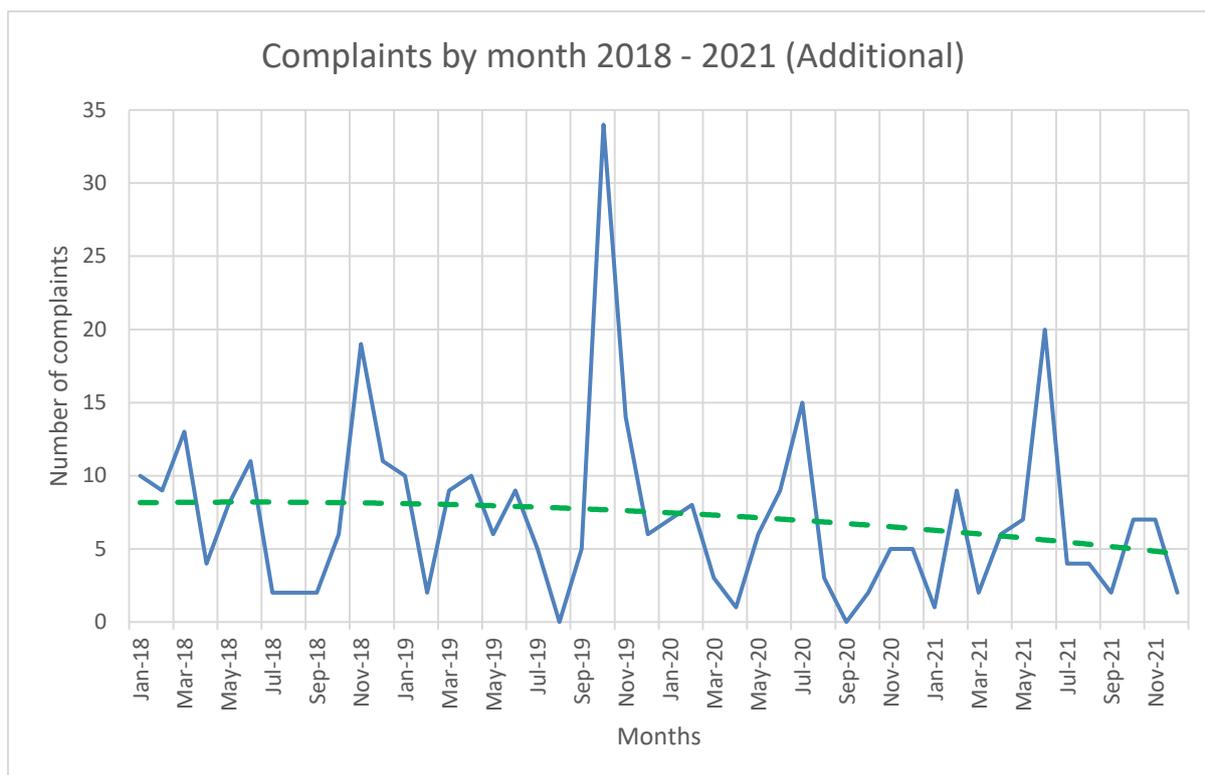


Table 4 – Mandatory Licensing Complaints

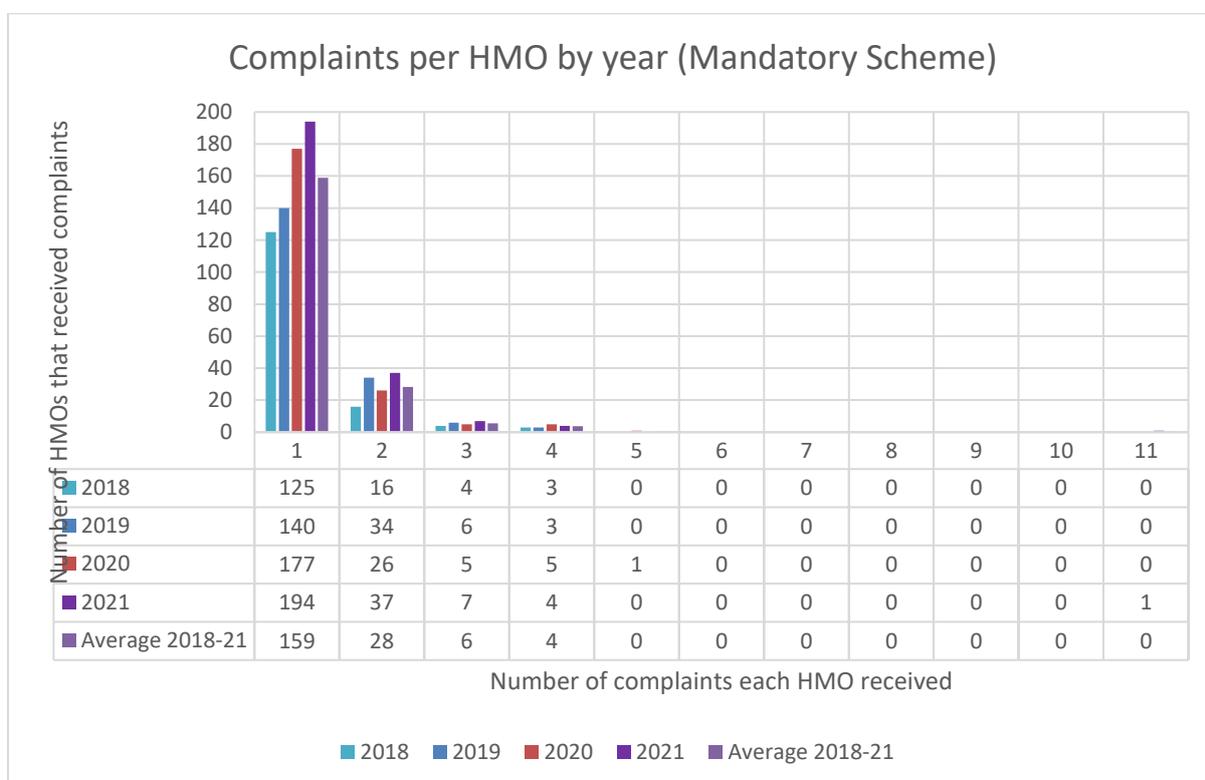
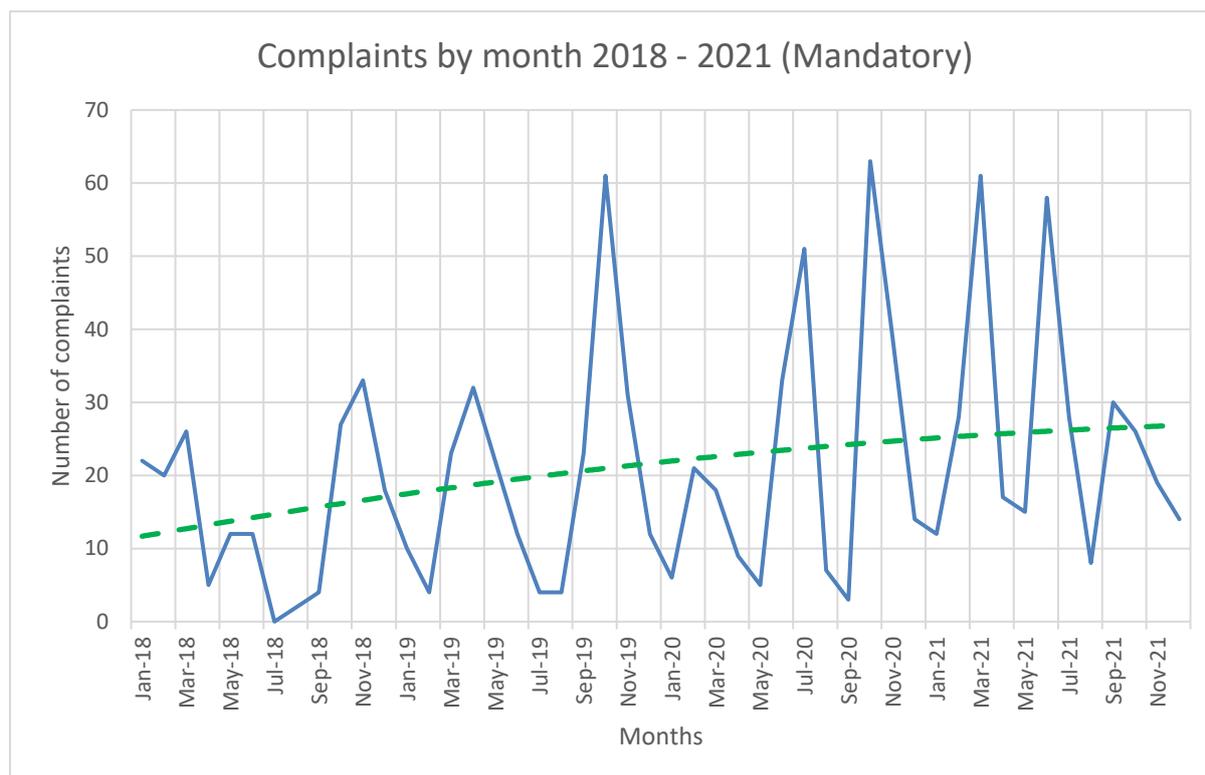


Table 3 – Mandatory Licensing Trend Complaint Increasing



Opportunities & Challenges

- Despite the significant amount of awareness raising the Council is still identifying landlords that have not applied for a HMO licence.
- With the inconstancy in the number of licence applications being received per month, over any 12-month period it is challenging to maintain the balance or processing and determine licences with compliance activities.
- On the back of the Grenfell disaster and Hackitt review blocks of flats, some recently converted buildings have been identified as having some HMOs flats that require a licence. Joint working with Nottinghamshire Fire and Rescue Service is on-going to inspect and audit flats within blocks across the City to ensure they are safe. Licensing is providing opportunities to inspect and engage with a broader range of such buildings and identifying more HMO usage.
- Digital by default for application forms has created difficulties for some landlords, with the Council offering support and a paper application form as appropriate.
- The Council is still determined to meet its additional schemes aims to inspect 100% of all less compliant properties, 50% of non-accreditation properties and 20% of accredited properties before the end of the scheme.
- Due to the current APP Flare (Civica) software reaching the end of its life. New software will be utilised across the wider regulatory services in Community Protection in late 2022, this will be a challenge to migrate to the new system, train all officers whilst maintain outcomes, reporting and service delivery.

- Work will be starting in September 2022 to gather and review evidence for consideration of a further new additional HMO licensing schemes.
- The Council continues to work on influencing national policy and officers sit on a number of steering groups with the CIEH and DLUHC.

vi. NCC Housing Licensing Fee Policy Feb 2022

Nottingham City Council – Housing Licensing Licence Fee Policy and general administrative practices applied during determination process for licences under Parts 2 and 3 Housing Act 2004

Introduction

1. Nottingham City Council (“the Council”), acting in its capacity as the Local Housing Authority, operates three Housing Licensing Schemes being:
 - (i) Mandatory licensing of Houses in multiple occupation (HMO’s);
 - (ii) Additional Licensing for Houses in multiple occupation (Discretionary Scheme); and
 - (iii) Selective Licensing for privately rented properties.

2. In this document the Council has detailed its Policy relating to the application of licence fees for all three Schemes and it has further detailed some general administrative practice applied during the licence determination process under Parts 2 and 3 of the Housing Act 2004 for the following areas:
 - (i) Licence start dates – the date from which the Council calculates the duration of a **new** licence or licence **renewal**.
 - (ii) Passporting licences between Licensing Schemes – how the Council administers licences that need to ‘passport’ or ‘transfer’ between Licensing Schemes.
 - (iii) Overhanging Licences – the approach taken by the Council in relation to Licence continuation after expiration of discretionary Licensing Schemes.

Licence Fees for applications made under Part 2 Housing Act 2004 (HMOs).

3. The Council operates both a Mandatory and Additional Houses in Multiple Occupation (HMO) Licensing Schemes. Mandatory licensing applies to HMOs that meet the prescribed description of being occupied by five or more persons living in two or more separate households; and which meets the tests under Section 254 of the HA 2004. The Council also exercised its powers under section 56 Housing Act 2004 ("HA 2004") to designate areas of the City to be subject to Additional Licensing. Under the 'Nottingham City Council Designation of an Area for Additional Licensing 2019', which came into force on 1 January 2019, all other non – mandatory licensable HMOs in the city are required to have an HMO Licence where they are occupied by three or more persons living in two or more separate households; and where they meet the tests under Section 254 of the HA 2004, but it excludes Section 257 HMOs.

4. This document outlines the Council's policy as regards the levying of Part 2 (HMO) licence fees. The Council has exercised its powers to charge under section 63(3) and (7) HA 2004 and does so taking into account the Provision of Services Regulations 2009, which themselves implement the Services Directive.

5. Section 63 HA 2004 permits the Council to require that any application for a licence under Part 2 is accompanied by a licence fee and that this fee may properly cover all costs incurred by the Council in carrying out its Part 2 functions. The judgment in Hemming, which envisages the payment of the required licence fee in two stages, has the clear potential to increase the administrative and financial burden on the Council, for example in handling double the amount of licence payments as part of a two-stage process. See paragraphs 26-28 below for further information on the Council's approach to the two-stage licence fee process.
6. Nonetheless, the Council being the Local Housing Authority has decided that it will proceed as follows.

To provide that the making of an application under section 63(1) is subject to the following published requirements:

- (i) The payment of the Part A fee for the consideration of an application for an HMO, which is payable regardless of outcome and shall be paid at the time of application;
- (ii) The payment of a further Part B fee for an HMO, which is payable when the Council proposes to grant a Licence, and serves notice to that effect on the applicant under paragraph 1 to Schedule 5 HA 2004. If the applicant does not pay the Part B fee within 14 days of that notice, the decision to grant a licence will be reviewed. Depending on the outcome of this review the licence may be proposed to be refused instead of granted.

Where, as the result of considering representations made to a Schedule 5 notice, the Council reviews its decision and proposes to grant a Licence, the same procedure at 6(ii) applies.

7. Set out in the table below is the current licence fees applicable for HMO's.

Description	Comments	Current Fees as Approved September 2018
Standard	For non-accredited landlords Application fee up to 9 bedrooms	1 st Payment (Part A) £890 2 nd Payment (Part B) £440 Total £1330
Less Compliant	For non-accredited landlords Application fee up to 9 bedrooms	1 st Payment (Part A) £890 2 nd Payment (Part B) £830 Total £1720

Accredited	The proposed licence holder is accredited with the Nottingham Standard (Either Unipol or Dash) Application fee up to 9 bedrooms	1 st Payment (Part A) £615 2 nd Payment (Part B) £375 Total £990
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Licence Fees - applications made under Part 3 Housing Act 2004 – Selective Licensing

8. The Council has exercised its powers under section 80 Housing Act 2004 ("HA 2004") and has designated a significant amount of the City to be subject to selective licensing. Under the 'Nottingham City Council Designation of an Area for Selective Licensing 2017', which came into force on 1 August 2018, most privately rented homes in the city are required to have a property licence ("Property Licence")
9. Sections 1 to 4 of this document sets out the Council's policy in relation to the licensing of properties under Part 3 HA 2004. The Council's policy recognises that the legislative provisions contemplate circumstances in which a single Property Licence may relate to more than one separate dwelling in the same building ("a Block Licence"). However, for the reasons outlined below, the Council prefers separate dwellings in a building to have their own, individual Property Licence ("an individual Property Licence") but does recognise that in certain circumstances and depending on the building it may be beneficial to offer the ability for landlords to apply for and have in place a Block Licence to cover the entirety of a building where certain conditions are met.
10. For some landlords and tenants, an individual Property Licence (for an individual dwelling) would be beneficial as it provides for a clearer and less complicated scheme. For landlords, individual licences are more flexible and more responsive to changes in managing agents, the carrying out of major works, or the sale of individual flats in buildings for example; and for tenants, it removes ambiguity where the Council is required to enforce landlord obligations and duties owed to them. However, for some buildings where, the management and control of the entire building is under common control and management, covers all or a number of individual dwellings, all common parts and areas, and where the management and control is anticipated to remain static over an extended period of time, it may be more beneficial for landlords to apply for a Block Licence.
11. This document also outlines the Council's policy as regards the levying of Part 3 licence fees. The Council has exercised its powers to charge under section 87(3) and (7) HA 2004 and does so taking into account the Provision of Services Regulations 2009, which themselves implement the Services Directive.

Conditions that must be met to enable the granting of a Block Licence

12. The Council accepts that under Part 3 HA 2004 it is possible for it to grant a Block Licence which covers more than one separate dwelling where the following conditions are met:

- (i) each of the dwellings are separate dwellings (usually self-contained flats), within the same building; and
 - (ii) each of the dwellings are occupied under non "exempt tenancies"; and
 - (iii) the entire building which contains the separate dwellings must be under common control and management.
13. The above conditions do not apply to Houses in Multiple Occupation (HMOs) which are licenced in accordance with requirements set out in Part 2 HA 2004, where Section 68(1) is clear that a licence may not relate to more than one HMO and also that under Part 2 - Section 85(1) of HA 2004, HMO licensing takes precedence over Part 3 – Selective Licensing.
14. Accordingly, it is open to an applicant (which is usually, but not invariably, the landlord) to apply for a Block Licence where the applicant considers that each of these conditions is met. Where such an application is made to the Council it may grant such a Block Licence where it is satisfied that:
- The conditions set out in paragraph 12 are met; and
 - There are no other contra-indications that would mean that such a Licence should not be granted, after considering the matters required by Section 88 (3) of the Housing Act 2004.
15. The Council will also have regard to the additional considerations set out in paragraphs 17-25 below, taking into account any representations made by the applicant as to why the Council should exercise its discretion to grant a Block Licence.
16. If the Council decides not to grant a Block Licence, but is otherwise satisfied that individual Property Licences should be granted, it will give notice of this to the applicant and every relevant person. There is a statutory right of appeal, notwithstanding the grant of these individual Property Licences.

Property licences — Additional considerations

17. It is the Council's belief that licensing each separate licensable dwelling under an individual Property Licence provides important clarity, certainty and benefits to all parties impacted by the administration and enforcement of the licensing regime.
18. Under Part 3 HA 2004, a 'house' falls to be licensed if:
- The whole of it is occupied under a single non-exempt tenancy or licence; or
 - The whole of it is occupied under two or more non-exempt tenancies or licences in respect of different separate dwellings within the building.
19. Where a Block Licence is granted, and there is a subsequent change in circumstances which results in there being more or fewer dwellings in the Block, this would result in the licence no longer reflecting the current 'house'. In such circumstances, the existing Licence would need to be revoked and a new application made.

20. Granting individual Property Licences, avoids this unnecessary consequence. It provides clarity and certainty to the licensing regime and means that the duration and operation of individually granted licences are not impacted by changes in the letting and occupation of other separate dwellings within the same building as would be the case if a Block Licence has been granted.
21. As stated above, the Council considers that granting individual Property Licences has clear benefits for both landlords and tenants.
22. For landlords who own two or more individually licensed dwellings in the same building, the individual Property Licence approach will mean that:
 - A dwelling may be sold without affecting the licence[s] granted in respect of any other dwellings in the building;
 - A dwelling may be let on an exempt tenancy without affecting the licence[s] granted in respect of any other dwellings in the building;
 - A dwelling may be left vacant [for example, to allow major refurbishment] without affecting the licence[s] granted in respect of any other dwellings in the building;
 - Enforcement action may be better, and more proportionately, targeted on the individual, non-compliant dwelling, without affecting the licences granted in respect of other dwellings in the building. This includes cases where, for example, the Council considers it necessary to serve a Prohibition Order to preclude the use of an individual dwelling for human habitation or where it has identified planning breaches in relation to an individual dwelling.
23. This is also relevant where enforcement concerns a particular tenancy or where the issue has arisen as a result of the relationship between the landlord and a specific tenant beyond the condition of the property.
24. For a tenant of a specific dwelling in a building, the individual Property Licence approach should provide greater certainty and clarity that their individual dwelling is duly licensed, notwithstanding the licensing status of other dwellings in the same building. Furthermore, by virtue of knowing that a specific licence had been granted in relation to their particular dwelling, the tenant would also have the reassurance that any necessary Gas Safe Certificate would have been provided at the application stage and declarations made regarding key fire safety measures pertaining to their own rented home.
25. Notwithstanding the above paragraphs, the Council further recognises that it is feasible within the City to have buildings that contain multiple dwellings that have in place common management and control arrangements that are likely to be static and consistent over an extended period of time. In these circumstances it may be beneficial for both Landlords and Tenants to know that a licence is in place which covers the entirety of the Building covering multiple dwellings and the common shared areas. For the Council it also offers, where relevant, the possibility of additional licence conditions relating to the management arrangements for the Block Building.

Licence fees

26. Section 87 HA 2004 permits the Council to require that any application for a licence under Part 3 is accompanied by a licence fee and that this fee may

properly cover all costs incurred by the Council in carrying out its Part 3 functions. The current fee for an Individual Property Licence is:

Individual property licence fees

Description	Comments	Proposed fees
Accredited	The proposed licence holder is accredited with the Nottingham Standard (Either Unipol or Dash)	1 st Payment (Part A) £300 2 nd Payment (Part B) £330 Total £630
Standard	For non-accredited landlords	1 st Payment (Part A) £340 2 nd Payment (Part B) £480 Total £820
Less Compliant	For non-accredited landlords See paragraph 60 – 63 for more details of when this may apply	1 st Payment (Part A) £340 2 nd Payment (Part B) £770 Total £1110

27. The Council considers that some of the Part A fees reflects the costs of processing and determining the application for a licence, with the Part B fees representing the remaining balance covering the wider management and enforcement costs that the Council is permitted to recover through the fee, in accordance with section 87(7).
28. The Council has had regard to the European Court of Justice ruling in R (Hemming) v Westminster City Council (Case C-316/15), which holds that the Services Directive should be interpreted as precluding charging in advance for costs other than those directly related to the authorisation process. The Council understands this to mean that it is not permitted to demand fees in advance for anything other than the costs of administering the application for a licence, even if it makes clear that unsuccessful applicants will be reimbursed the remaining part of the fee. The Council may legitimately recover its wider costs, over and above those relating to the administration of applications, at the point at which it has been determined that a licence is to be granted.
29. The judgment in Hemming, which envisages the payment of the required licence fee in two stages, has the clear potential to increase the administrative and financial burden on the Council, for example in handling double the amount of licence payments as part of a two-stage process.
30. The requirement to charge a two-stage fee does not sit well with the statutory provisions. Nonetheless, the Council has decided that it will proceed as follows:
 - To provide that the making of an application under section 87(1) is subject to the following published requirements:

- The payment of the Part A fee for the consideration of an application for an individual Property Licence, which is payable regardless of outcome and shall be paid at the time of application;
 - The payment of a further Part B fee for an individual Property Licence, which is payable by a successful applicant prior to the grant of a Licence.
 - That the remaining Part B fee is payable when the Council proposes to grant a Licence, and serves notice to that effect on the applicant under paragraph 1 to Schedule 5 HA 2004. If the applicant does not pay the Part B fee within 14 days of that notice, the decision to grant a licence will be reviewed. Depending on the outcome of this review the licence may be proposed to be refused instead of granted.
 - Where, as the result of considering representations made to a paragraph 5 notice, the Council changes its mind, and proposes to grant a Licence, the same procedure in the third bullet point applies.
31. That where an application for a Block Licence is made or granted, the total fees applicable will be tiered in accordance to the amount of dwellings within a particular Block Building licence application. The Part A fee comprises of an initial base fee which is then added to a total ‘per dwelling’ fee. The total ‘per dwelling’ fee is calculated by multiplying it by the amount of dwellings within the building which are to be subject to the licence.
32. So far as concerns the Part B fee, this element is again calculated by adding together the ‘base fee’ to the ‘per dwelling fee’. The ‘per dwelling fee’ is calculated by multiplying the fee by the amount of dwellings within the building which are to be subject to the licence.

Block Licence	
<p>Standard Fee</p> <p>This fee is applicable to an applicant who wishes to apply for a Block Licence, but who is not an accredited Landlord by one of the Council’s recognised providers.</p>	<p>Standard Initial Block Base Licence Fee - £1,840 which comprises of the following:</p> <p>1st payment (Part A) - £275</p> <p>2nd payment (Part B) - £1,645</p> <p>Standard Fee payable for each dwelling within the building to be subject to the licence is £495 which comprises of:</p> <p>1st payment (part A) - £205 per flat</p> <p>2nd payment (part B) - £290 per flat</p>
<p>Fee for Accredited Landlord</p> <p>This fee is applicable where the proposed Licence Holder is accredited with the</p>	<p>Accredited Landlord - Initial Block Base Licence Fee - £1,125</p> <p>1st payment (Part A) - £275</p>

<p>Nottingham Standard (through either Unipol, ANUK or DASH).</p>	<p>2nd payment (Part B) - £850</p> <p>Accredited landlord Fee payable for each dwelling within the building to be subject to the licence is £480 which comprises of:</p> <p>1st payment (part A) - £205 per flat</p> <p>2nd payment (part B) - £275 per flat</p>
<p>Less Compliant Fee</p>	<p>Less Compliant - Initial Block Base Licence Fee - £2,295</p> <p>1st payment (Part A) - £275</p> <p>2nd payment (Part B) - £2,020</p> <p>Standard Fee payable for each dwelling within the building to be subject to the licence is £480 which comprises of:</p> <p>1st payment (part A) - £205 per flat</p> <p>2nd payment (part B) - £275 per flat</p>

<p>Worked Examples Block Licence Fee Structure</p>
<p>Standard Fee</p>
<p>One building comprising 10 separate self-contained dwellings:</p> <p>Part A Fee Initial Base fee - £275 Per dwelling fee £205 x 10 = £2,050 Add together Base Fee and Per dwelling fee = £2,325 (Part A fee payable on application)</p> <p>Part B Fee Initial Base fee £1,645 Per dwelling fee £290 x 10 = £2,900 Add together Base Fee and Per dwelling fee = £4,545</p> <p>Total Licence Fee To get the total cost of the Block Licence add together the Part A and Part B fees. Part A = £2,325 add Part B £4,545 = £6,870 total fee for a Block Licence covering 10 individual self-contained dwellings</p>

<p>One building comprising 90 separate self-contained dwellings:</p> <p>Part A Fee Initial Base fee - £275 Per dwelling fee £205 x 90 = £18,450 Add together Base Fee and Per dwelling fee = <u>£18,725</u> (Part A payable on application)</p> <p>Part B Fee Initial Base fee £1,645 Per dwelling fee £290 x 90 = £26,100 Add together Base Fee and Per dwelling fee = <u>£27,745</u></p> <p>Total Licence Fee To get the total cost of the Block Licence add together the Part A and Part B fees. Part A £18,725 add Part B £27,745 = £46,470 total for a Block Licence covering 90 individual self-contained dwellings</p>
Accredited Landlord
<p>One building comprising 10 separate self-contained dwellings:</p> <p>Part A Fee Initial Base fee - £275 Per dwelling fee £205 x 10 = £2,050 Add together Base Fee and Per dwelling fee = <u>£2,325</u></p> <p>Part B Fee Initial Base fee £850 Per dwelling fee £275 x 10 = £2,750 Add together Base Fee and Per dwelling fee = <u>£3,600</u></p> <p>Total Licence Fee To get the total cost of the Block Licence add together the Part A and Part B fees. Part A £2,325 add Part B £3,600 = £5,925 total for a Block Licence covering 10 individual self-contained dwellings</p>
<p>One building comprising 90 separate self-contained dwellings</p> <p>Part A Fee Initial Base fee - £275 Per dwelling fee £205 x 90 = £18,450 Add together Base Fee and Per dwelling fee = <u>£18,725</u></p> <p>Part B Fee Initial Base fee £850 Per dwelling fee £275 x 90 £24,750 Add together Base Fee and Per dwelling fee = <u>£25,600</u></p> <p>Total Licence Fee</p>

To get the total cost of the Block Licence add together the Part A and Part B fees.
Part A £18,725 add Part B £25,600 = £44,325 total for a Block Licence covering 90 individual self-contained dwellings

33. The Council recognises that where the same applicant seeks licences in respect of more than one dwelling in the same building, there will be some efficiencies in respect of the necessary checks that are required to be carried out in relation to the building, the proposed licence holder and in the administration of the licence documentation. This fee structure recognises the efficiencies where a Block Licence could be granted by the Council.
34. The Council has also considered whether to apply a flexible fee structure to individual property licences where an applicant has more than one self-contained dwelling within a Block Building. It has decided not to do so. This is because the Council's experience is that the wider management and enforcement costs it is permitted to reflect in the fee are similar per dwelling, when viewed across the city. Some of the efficiencies in offering a Block Licence are gained due to the fact that the entire building is under common control and management. The Council also draws comparison with where an applicant may have a number of individually licenced properties across the city. In these circumstances the fairest and simplest way to calculate the fee is to divide it amongst the thousands of Property Licence holders. The current fee structure also provides for an accredited fee. Where landlords have become accredited, including those with larger or multiple property portfolios and those who own an entire block of dwellings do benefit from a lower fee licence.

Applications under both Parts 2 and 3 Housing Act 2004

Other fees applicable for licensing applications

35. Applicable fees may become payable during licence application process if conditions set out in the table below are met. These fees may be collected in addition to the Part A licence fee and Part B licence fee payments. The licence application will not be considered 'duly made' until all applicable fees have been calculated and paid with the Part A licence fee payment or shall be payable upon request.

Please note the fees in this table are non-refundable.

Description	Fee	Comments
Extra Bedroom Fee	£25	When an HMO has 10 bedrooms or more, an extra fee is applicable per bedroom. Applicable in addition to the Part A licence fee payment as shown in Table 1 above.
Extra correspondence and / or changes to the application prior to	£40	Where there is a requirement to enter into extra correspondence over and above the standard licensing process.

<p>determining the licence</p>		<p>E.g. Obtaining further information to secure a valid licence application, which has not been provided at the time of application.</p> <p>Any changes to the application should be notified immediately to the Council as delay may impact the likely charges to be applied.</p> <p>This charge will apply where there are changes to the application prior to the licence being determined e.g. change of address, change of manager or proposed licence holder etc.</p> <p>Where the changes are so significant a new application and fee may be required e.g. for the change of applicant. This creates a significant administration burden as new assessments may be required or the entire processing may need to be restarted.</p> <p>Changes notified that affect multiple applications at the same time (such as a change of manager or proposed licence holder) the fee will be calculated on a case by case basis proportionate to the estimated administration time required.</p> <p>This fee shall be payable on request.</p>
<p>Extra copy documentation 1 – 5 documents</p>	<p>£30</p>	<p>Where a request is made for each duplicate/copy documents. The request will not be processed until the fee has been paid.</p> <p>This fee shall be payable on request.</p>
<p>Extra copy documentation 6 – 10 documents</p>	<p>£60</p>	
<p>Extra copy documentation 11 – 30 documents</p>	<p>£90</p>	
<p>Extra copy documentation 11 – 30 documents</p>		

Extra copy documentation 30 or more documents	Multiples of the above thereafter	
Application under different Part of Housing Act 2004 Fee to move between HMO (part 2 of the Housing Act 2004) and Selective licensing (part 3 of the Housing Act 2004) and vice versa.	Relevant scheme fee	<p>After Grant of Licence Once a licence has been granted under one Part of the Housing Act 2004 (“the Act”) and then a Licence Holder wishes to apply for a new Licence under a different Part of the Act, this will require a new application with the payment of the current licence fee for that Part applicable at the time the application is made. Once the Council has processed and granted a licence under the new Part, the Council will concurrently revoke the existing licence under the former Part.</p> <p>Prior to determining Licence Application made under one Part of the Act but not yet determined by the Council, where the Licence Holder informs they wish to change their application to be under a different Part of the Act, the Council will treat the first application as having been withdrawn by the Applicant. Please refer to the Refunds Policy.</p>
Missed inspections	£50	<p>Failure to attend an agreed inspection a charge shall be levied.</p> <p>This fee shall be payable on request.</p>
Paper Application Form Request	£35	<p>Paper application forms will remain available upon request. A printed application forms will be sent to a UK postal address only. A charge of £35 shall be required for each form requested.</p> <p>Please note that the application form is available free of charge on the Council website for download and your internal printing or can be complete online. This fee shall be payable on request.</p>
Paper Application Form Processing	£65	<p>Each paper application submitted, will be charged this fee to cover the extra manual cost of processing.</p> <p>This fee shall be payable on request.</p>

<p>Fee to support people completing the application form</p>	<p>£40 per hour*.</p>	<p>To assist with those who have repeatedly tried or have a significant challenge in completing the required form. (*minimum charge £40)</p> <p>This fee shall be payable on request.</p>
<p>Notices and Orders served under Part 1 Housing Act 2004 Please note that not all costs can be recovered from the licence fee. Under Part 1 of the Housing Act 2004 (section 49) the Council may charge for relevant costs linked to enforcement work (for example, where an Improvement Notice is served under Section 11 or Section 12 of the Housing Act 2004). NB Once an invoice is issued, this charge becomes a local land charge on the property.</p>		

Refunds Policy

36. Applicants will be entitled to a refund of licence fee payments in the following situations:
- (i) Where on review of an application it is decided that the Property does not need a license at the time of application (for example, it falls under one of the exemptions);
 - (ii) Where an application has been made for an exempt property by mistake or a duplicate application has been made.
37. Refunds will not be provided in the following situations:
- (i) the property was required to be licensed at the time of application;
 - (ii) the property is subsequently sold at any point during the application process;
 - (iii) the Council refuses the application and does not grant a licence;
 - (iv) the application is withdrawn at any point during the application process;
 - (v) the Council revokes (takes away) the licence;
 - (vi) the Council varies the licence and reduces the amount of time it remains operationally valid;
 - (vii) the property is refused planning permission.
38. The fees are not connected to the length of a licence. If a licence is no longer required the licence holder must request a revocation to cancel the licence before it expires, the Council cannot give a refund for any unused time.

Licence fees when transferring between Licensing Schemes

39. Set out in the table below are scenarios setting out how licence fees will be applied and managed when the Council receives a request to transfer between the three Licensing Schemes:

Scenario	Request to move schemes	How is the property occupied?	Will a refund be given?	Process
Application for a HMO licence	Move to Selective	Occupied as a HMO at the time of application	No refund on the Part A fee	Application will be transferred to a Part 3 Selective Licence if the final licence has not been issued. Applicant to pay Part B Fee for Selective Licensing.
Application for a HMO licence	Move to Selective Licensing	Not occupied as a HMO	Yes full refund of HMO part A fee to be given, due to the fact that the Property was not licensable as a HMO at the time of application.	Applicant to commence a new Selective Licence application and to pay the relevant fee.
Application for a HMO licence	Move between Additional and Mandatory HMO Licensing.	Check occupation	No refund to be given.	No change in processing The HMO fee rate is applicable to applications under both Additional and Mandatory Licensing.
Scenario	Request to move schemes	How is the property occupied?	Will a refund be given?	Process
Application for a Selective licence	Request to transfer to HMO Licence	Is it occupied as a HMO or intending to increase the	Full refund of the Part A Selective fee, assuming no draft licence has been issued and a new HMO	The Selective Licencing application would be withdrawn by the applicant. A new application to be made for a HMO

		number of occupants? If no, continue as Selective application. If yes, see refund column	application is made. No refund of Part A Selective fee if draft licence has been issued.	with full HMO fee rete applicable.
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Variations to existing licences

40. Once a licence has been granted and issued, the following variations may be applied for which no additional fees are charged. It should be noted though that under the Housing Act 2004, a licence is non-transferable. If the licence holder no longer wishes to hold the licence, they must notify the C who will revoke the licence and inform all interested parties.

Proposed Licence Variation	Variation Application Fee
Change of address details of any existing licence holder, manager, owner, mortgagor, freeholder, leaseholder etc.	No fee
Change of mortgagor, owner, freeholder, and leaseholder (unless they are also the licence holder or manager)	No fee
Variation of licence instigated by the Council	No fee
Change of manager (unless they are also the licence holder)	No fee

Standard Licence Fee

41. The standard fee will be applied as the default fee applicable for all applications. Only where the criteria is met for either the Accredited Licence Fee or Less Compliant fee will they be applicable.

Accredited Licence Fee

42. In order to qualify for the Accredited Level of licence fee, the onus is on the Applicant to demonstrate it meets the eligibility criteria and the Applicant may be required to provide documentary support. If the Applicant is unable to provide documentation within a reasonable period, then the Council will assess the licence fee level based on the information held at that time and the corresponding Part B fee will also be applied at the assessed level.
43. The Council will take steps to check and ensure the Applicant is fully accredited at the time of making the licence application, this being the point when the Part A licence fee payment is due and will then check again at the point when the Part B licence fee falls payable. If an Applicant is not accredited at the point when the licence application is first made, but subsequently becomes accredited, the Part A accreditation fee will not be applied retrospectively. However, the Applicant may be eligible for the accreditation fee on the Part B licence fee payment upon the provision of documentary support from the provider of their accredited status.
44. In the event that the Applicant supplies false or misleading information in order to benefit improperly from a lower licence fee, the Council will investigate and may take enforcement action appropriate to the circumstances of the case. In the event that the Accredited Licence Fee is claimed incorrectly or where Accreditation lapses or is withdrawn during the life of any licence application or granted licence, it is likely that Council will take steps to recover the difference between the accredited fee and the applicable licence fee directly from the Landlord or Managing Agent.
45. In the event that the less-compliant fee is applied, this will supersede the availability of the accredited licence fee. This means that where the Council has made a decision to charge the less-compliant fee, the accreditation fee will not be available for either Part A or Part B fees.
46. The principle behind the availability of a set fee for Accredited Landlords is to recognise that these landlords should already be operating with minimum housing standards and management, thereby reducing the amount of compliance and regulation that the Council may need to undertake over the duration of the licence. A landlord is considered to be anyone who rents out a property they own, for the purpose of this policy document.
47. In order to claim the Accredited fee, the application must meet either of the eligibility criteria set out in (a) or (b) below at the time of application.
 - a. Applicant Landlords must be:
 - (i) the proposed Licence Holder; and
 - (ii) hold either full accreditation status with DASH or Unipol at the point that the licence application is being made; and
 - (iii) hold the Unipol or DASH accreditation status for the duration of the licence granted.

b. Applicant Managing Agents shall:

- (i) be the proposed Licence Holder or the Manager on the application.
- (ii) be responsible for the management of the whole property;
- (iii) hold 100% accreditation with Unipol at the point that the licence application is being made; and
- (iv) maintain their Unipol 100% accreditation for the duration of any licence period granted;
- (v) be a member of one of the following professional associations – such as Chartered Institute of Housing (CIH), Royal Institute of Chartered Surveyors (RICS), ARLA Property mark, Safeagent (Previously known as the National Approved Letting Scheme) and the National Association of Estate Agents or similar.

Unipol Accreditation

48. Unipol is an external Charity which provides assistance to students renting in the private sector. When claiming the Accreditation fee on the basis of Unipol Accreditation, the Council relies upon the declaration made by the Applicant who is the owner of the Property and is the member of the Unipol Code. This means that there is an assumption that the Property is occupied by students and that it meets the relevant Unipol criteria for accreditation. However, in the event that the Council becomes aware of non-student occupation at any stage, the Council will notify Unipol in order for the circumstances to be investigated.

49. For further detailed information on Unipol membership, affiliation and accreditation, Applicants can visit the Unipol website here prior to making a licence application: <https://www.unipol.org.uk/home>

50. Set out in the table below are scenarios which show when the Accreditation Licence Fee will be applied to an application. Accreditation with Unipol is also conditional on the relevant Property being occupied by students and the Property being registered with Unipol. A list of Unipol members is supplied on their website <https://www.unipol.org.uk/landlords/directory>

Scenario	Managing Agent status	Proposed Licence Holder status	Eligibility for Accredited Licence Fee
1	100% accredited Managing Agent	Accredited	Accredited fee available on the basis that the Licence Holder and/or Managing Agent are eligible.
2	100% Accredited Managing Agent	Not on the Unipol Members Directory	Accredited Fee is available on the basis that the Managing Agent is eligible.
3	Registered supporter	Accredited	Accredited Fee available on the basis that they are the Licence Holder.

4	Not on Unipol List	Accredited	Accredited Fee available on the basis that they are the Licence Holder.
5	Not on Unipol List	Not on the Unipol Members Directory	No Accredited Fee (Full Part A and Part B licence fee is payable)
6	Registered supporter	Not on the Unipol Members Directory	No Accredited Fee (Full Part A and Part B Licence fee is payable).

51. Unipol offers differing levels of membership, affiliations and accreditation to its members.

DASH Accreditation

52. DASH is an external, joint-working initiative with Local Authorities, property owners, landlords and tenants. DASH aims to improve housing conditions in the private sector, with particular emphasis on the private rented sector. Any landlord with private rented sector accommodation in Nottingham City is eligible to join the DASH scheme, providing they have had no legal or civil enforcement action within the last two years, and have no ongoing issues with the Local Authority. If you do not live locally to the rental property, part of the accreditation requirements will be to employ an agent or have a local contact to be on hand to resolve any issues that may arise during a tenancy. DASH Landlord Accreditation is not open to Letting Agencies/ Managing Agents; the person wishing to become accredited must own the property/ies and be in a position to commit to the accreditation process themselves.
53. To be eligible for the Accredited Licence Fee on the basis of holding DASH accreditation, the proposed licence holder must be the accredited party. A landlord who operates as an agent who manages other landlord's properties will only be eligible for the accredited licence fee on properties which they own themselves.
54. For more information on DASH Accreditation, the link below takes you direction to the DASH website: <https://www.dashservices.org.uk/>

ANUK National Code

55. To be eligible, the proposed licence holder must be registered as an ANUK provider AND the HMO or flat must be in an ANUK registered building. The Accredited Licence Fee is not available to applications made under the Additional Licensing Schemes.
56. To be an ANUK registered building, it must have at least 15 occupants and some of those occupants, but not all, must be registered students.

57. If an ANUK registered landlord has a larger portfolio with a mix of buildings accommodating 15 or more occupants in some buildings and then smaller buildings of less than 15 occupants, they may only claim the accredited fee for the larger ANUK registered buildings. This means that the Accredited Licence fee is not available to smaller non-ANUK-registered properties.
58. Where an HMO falls to be licenced under the City's Additional Licensing Scheme which is also a building that is registered with ANUK, then it is exempt from the requirement to licence under the Scheme in Nottingham.
59. Applicants can check if a building and provider in Nottingham is registered with ANUK here: <https://www.nationalcode.org/nottingham>.

Less compliant Licence fee

60. The less compliant fee was introduced in September 2018 and is applicable to HMOs licensed under Part 2 of the HA 2004 and is being consulted on for the proposed second selective licensing scheme.
61. The less compliant fee was introduced after consultation with landlords, HMO tenants, community groups, Nottingham City residents and other organisations as part of the HMO Additional Licensing Statutory Consultation. Respondents to the consultation were in support or strong support of a less compliant fee.
62. The less compliant fee may be applied if one or more of the following criteria apply:
 - (i) a substantiated referral or complaint made to Safer Housing where a serious health and safety / disrepair / fire safety / or management regulations contravention is identified or regarding an unlicensed HMO.
 - (ii) two or more substantiated service requests (complaints to the Council by tenants or other parties about conditions in the Property).
 - (iii) Where the Council has had to chase an application and/or application has not been forthcoming and has only been made due to an intervention by the Council prompting the application.
 - (iv) poor application history, for example, the application, licence fee or documents are not submitted on time or incomplete.
 - (v) one or more reminders needed after initial reminder to renew a licence or submit the outstanding documentation.
 - (vi) history of enforcement action being required to obtain safety certificates or other documents when they have not been forthcoming.
 - (vii) history of poor management of the Property.
 - (viii) history of enforcement at the Property.
 - (ix) history of Anti-Social Behavior at the Property
 - (x) history of non-compliance with licence conditions;
 - (xi) unjustified and repeated requests for extensions of time to complete required remedial works.
 - (xii) missed pre-arranged appointments with Council Officers or failure to co-operate with Council Officers to arrange inspection(s)

- (xiii) Obstruction of officers during property inspections, including failure to facilitate inspections of the whole property
- (xiv) Further criteria may become applicable and be considered on a case by case basis.

63. In the event that the less-compliant fee is applied, this will supersede the availability of the accredited licence fee. This means that where the Council has made a decision to charge the less-compliant fee, the accreditation fee will not be available for either Part A or Part B fees. Where the applicant has benefitted from an accredited fee on the Part A fee, the Council may take steps to recover the difference.

Administrative practices for Licence determination under Parts 2 and 3 Housing Act 2004

[NOTE: paragraph numbers follow from Appendix 1 – these documents will be joined for ease of use after approval]

64. In the following paragraphs it sets out how the Council applies certain administrative practices when processing licences under Parts 2 and 3 of the Housing Act 2004) which are:

- (i) Licence start dates – the date from which the Council calculates the duration of a **new** licence or licence **renewal**.
- (ii) Passporting licences between Licensing Schemes – how the LHA administers licences that need to ‘passport’ or ‘transfer’ between Licensing Schemes.
- (iii) Overhanging Licences – the approach taken by the LHA in relation to Licence continuation after expiration of discretionary Licensing Schemes.

Licence start date – date from which durations calculated

65. In the proceeding paragraphs, the Council has set out its rationale for using the ‘effective date’ of a licence application as the date upon which it will calculate the licence duration to commence from. As from the date of the adoption of this administrative practice note, this is the general approach that will be applied by the LHA, but it does accept that circumstances may exist whereby it takes a different approach depending on the facts of the case. The reasons for use of the ‘effective date’ of application are:

- (i) Section 72 (4) & 95 (3) of the Act, states that if a person is subject to proceedings for the offence of operating an unlicensed property, that person has a defence in law, if at the material time they had submitted an application for a licence and that application had been assessed as ‘duly made’. Therefore, the initial administration step for any application received by the LHA is to assess whether the application has been ‘duly made’. To do so, the LHA undertakes a triage of the application to make sure the application has been properly and fully completed with all

required documents and fee having been submitted. The date upon which that assessment is completed is what the LHA refers to as the 'effective date' for the licence application.

- (ii) The Act provides the LHA with the authority under sections 68 & 91 to '*grant a licence for such period as the Housing Authority may specify or determine*'. Therefore, the LHA has some discretion around how it may determine applications, the dates on which they become effective and the duration of licences. It should be noted though that a licence period cannot, in law, be longer than five years from the date the licence is granted or comes into force.
 - (iii) The length of time it takes the LHA to determine an application varies and is dependent upon many factors such as the application type, particular property, a Landlord and/or Manager background, complexity of an application and also the point within which the Licensing Scheme is within its cycle of operation. By way of example, both the Additional and Selective Licensing Schemes are discretionary licensing schemes which are adopted by the Council for 5 year periods. When each Scheme is first implemented and becomes operational, or as the Schemes approach a renewal date, there is naturally a large peak in the amount of applications that have to be assessed and determined by the LHA. This peak of 'new' applications levels off during the life of the Scheme. With other licence applications, factors may exist that result in the need for extra due diligence, for example a pre-licence inspection may be required, there may be evidence of past or current poor management issues in relation to a property or across a portfolio. In these circumstances, periods of communications between the LHA and Landlord/Manager are likely to be needed to clarify application points before the licence can be determined. In examples like these it takes a longer period of time for applications to be determined and therefore the LHA states that the licence (when determined in favour of the landlord) commences on the date on which the application became effective.
66. The purpose of this statement is to be transparent on the administrative approach taken as some prospective Licence Holders may perceive an unfairness in its application. However, a Licence Holder should consider that they submitted a licence application on a particular date because generally that would be the point in time when it was required because the Property is licensable in law. During the period between the 'duly made' application having been made, up to the point of when the licence application is determined, the Landlord is regarded in as compliant in law and has benefitted from the protection of a statutory defence against proceedings for operating a rental Property without a licence. Whereas, if the LHA applies the alternate process whereby the licence becomes effective on the date it is determined (or granted) then the licence holder in some cases will gain unfairly from an extended period of licence. From a practical point of view, there will always be a period of time between receipt of a licence application up to the point when a licence is determined because realistically a licence will never be determined by the LHA on the day it is received.

Renewal Licences

67. On renewal of a property licence, it is expected that a 'new' application will be made in advance of the expiration of the former licence. Assuming that the LHA is of the view that the application should be determined in favour of the applicant and granted, then the commencement date for the licence will be the day after the expiration of the former licence, meaning there is no break in the continuity of the licences. If, however, an application is received and the previous licence has expired, enquiries will be made as part of the determination process to establish reason(s) for any gaps. Assuming the Council is in favour of granting the application and the property was licensable during the gap, the new licence will generally commence the day after the expiration of the former licence.

Passporting between Licensing Schemes

68. The Council operates three licensing schemes which include Mandatory and Additional Licensing Schemes for Houses in Multiple Occupation (HMOs) and Selective Licensing for privately rented properties. Mandatory licensing applies to HMOs that meet the prescribed description of being occupied by five or more persons living in two or more separate households; and which meets the tests under Section 254 of the HA 2004. The Council also exercised its powers under section 56 Housing Act 2004 ("HA 2004") to designate areas of the City to be subject to Additional Licensing. Under the 'Nottingham City Council Designation of an Area for Additional Licensing 2019', which came into force on 1 January 2019, all other non – mandatory licensable HMOs in the city are required to have an HMO Licence where they are occupied by three or more persons living in two or more separate households; and where they meet the tests under Section 254 of the HA 2004, but it excludes Section 257 HMOs. As from 1 August 2018, the Council also implemented a Selective Licensing Scheme which applies to rental properties that are located within a designated area of the city.
69. It is recognised by the Council that changes in circumstances often occur when operating and managing rental properties. Due to the fact that there are three licensing schemes operating in Nottingham City, changes in occupation levels may mean that a Property becomes licensable under a different licencing scheme. The Council refers to this as 'pass porting' which covers the situation where a licence needs passport (transfer) between schemes.
- (i) When the recent Licencing of Houses in Multiple Occupation (Prescribed Description) Order 2018 was enacted, it amended the definition for mandatory licensable HMOs by removing the requirement of 3 storeys meaning any House occupied by 5 or more unrelated persons living in two or more separate households became licensable under Part 2 of the Act. This meant that some properties previously licenced under Selective or Additional Licensing Schemes needed to be pass ported (or transferred) into the Mandatory Licensing Scheme. With these cases, Nottingham City LHA has already worked through and identified any licences affected and landlords were contacted directly regarding their options.

- (ii) A licence holder under the Selective Licence Scheme (Part 3 of the 2004 Act) may decide they want to increase occupation levels meaning the Property is then licensable under Part 2 of the Act, or alternatively a Licence Holder may decide they no longer wish to operate and manage a HMO deciding that they would prefer to operate as a rental for a single household.

70. The Council has previously operated a separate licence fee for 'pass porting' between Parts 2 (HMO licensing) and 3 (Selective Licensing) of the 2004 Act. However, this process was found to be administratively complex because the level of documentation and information required is different depending on which licence is required. This difference is as a result of the requirements of the 2004 Act, rather than as a result of requirements set locally by the LHA. Therefore, the LHA came to the view that in the event that of a landlord needing to 'passport' between Parts 2 and 3 of the 2004 Act, a new application with the appropriate licence fee is generally required. If, however, a landlord notifies the LHA early enough in the processing of an application and before the LHA grants or refuses a draft or final licence in respect of a Property, then the LHA will manage the applicable licence fees payable in accordance with the scenarios set out in the Table at paragraph 38 above (Refunds Section).

Licence duration

71. Generally, when determining licences in favour of an applicant, the LHA has decided that it will grant licences for the full five years. However, the LHA may determine that circumstances exist whereby it may issue a shorter term licence duration, this would depend on the specific circumstances of the case and full reasons would be given. For illustrative purposes only, this may be considered where there has been some history of non-compliance with management regulations or licence conditions or there are outstanding issues relating to planning permission which may need a period of time to be resolved.

Licence continuation after expiration of discretionary Licensing Schemes ("Overhanging Licences")

72. Following on from point 71 above, the Council generally grants licences for the full five years, even though this means that a licence will continue in its application after the expiration of the adopted Licensing Scheme. The Council refers to these licences as 'overhanging licences'. For example, the Council's Selective Licensing Scheme came into force on 1 August 2018 and will expire on 31 July 2023. However, licence applications that are received after the 1 August 2018 will still generally be granted by the Council for a full five-year period from the date on which the application was deemed as 'effective'. This means that generally licences will continue after the expiration of the underlying discretionary Scheme.

vii. Equalities Impact Assessment (EIA)

Equality Impact Assessment Form

1. Document Control

Control Details:

Title:	Proposal for a scheme of Selective Licensing of privately rented houses
Author:	Graham De Max, Housing Strategy and Partnerships Manager
Director:	Paul Seddon, Director for Planning, Regeneration and Traffic
Department:	Growth and City Development
Service Area:	Housing Strategy and Regeneration
Contact details:	Graham.demax@nottinghamcity.gov.uk
Strategic Budget EIA: Y/N (Does this EIA have an impact on the budget)	N
If yes, please include the reference number	
Exempt from publication: Y/N (All EIA's are published on Nottingham Insight for public viewing unless specified. Exemption criteria is available on the EIA section on the Intranet)	N

2. Document Amendment Record:

Version	Author	Date	Approved
1	Graham De Max	March 1 2022	

3. Contributors/Reviewers (Anyone who has contributed to this document will need to be named):

Name	Position	Date
Graham De Max	Housing Strategy and Partnerships Manager	21/03/2022
David Hobbs	Selective Licensing Manager	23/03/2022
Rosey Donovan	Equality and Employability Consultant	10/03/2022
Sarah Wilson	Equality and Employability Consultant	30/03/2022

4. Glossary of Terms

Term	Description
ASB	Antisocial Behaviour
Equalities Impact Assessment (EIA)	A process of reviewing the impact of new or amended policies on certain parts of the community, identified through specific protected characteristics
BAME	Black, Asian and Minority Ethnic
Private rented sector (PRS)	Properties which are let out for rent by private landlords
Selective Licensing	A form of discretionary licensing of houses provided by Part III, Housing Act 2004
Designation	The geographical area which is to be subject to a scheme of licensing
Building Research Establishment (BRE)	A non-governmental agency which delivers research and advises on issues pertaining to the construction and condition of buildings
Decent and Safe Homes (DASH)	A landlord accreditation service hosted by Derby City Council
Unipol	A student housing charity which accredits student housing

5. Summary

(Please provide a brief description of proposal / policy / service 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 of 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. This proposal, should it be agreed, would be the second selective licensing scheme that has been implemented in Nottingham.

The Council is proposing to implement a selective licensing scheme in a designated area – see map at the end of EIA.

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 can bring is an improvement in housing standards and management in a sector of the housing market in which a large number of vulnerable citizens and low income households are housed.

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

During the course of consultation on the proposal (which will take place approx. May – July 2022 if the proposal is approved by Councillors) it is possible that other issues will be raised in relation to potential impacts on people within the protected characteristics, and these will be carefully considered in the EIA of the final proposal.

6. Information used to analyse the effects on equality:

(Please include information about how you have consulted/ have data from the impacted groups)

The private rented sector is a tenure for which there is very limited local data, particularly about the profile of people living within it. However we can use the data we have obtained on tenure breakdown from the recent Building Research Establishment (BRE) study commissioned by the Council to see where there are high levels of PRS within the city and cross reference this with the data we hold on where different communities are located within the city. We can see that the proposed designated area for selective licensing largely coincides with areas where a number of

BAME communities live in the city. We also have national data³³ which shows that the PRS has a disproportionate level of BAME people living within it.

We also know that a number of lower income families live in the PRS from data we hold on Local Housing Allowance recipients. The Council increasingly uses the PRS in order to discharge homelessness duties, and is therefore aware that this cohort will contain lower income households, including some with support needs.

Difficulties in accessing home ownership combined with decline in the availability of social housing, have seen private rented sector grow rapidly across England and Nottingham, increasing its tenure share year on year. Therefore, it is reasonable to assume, whilst we wait for the release of confirmatory data such as the census, that the PRS houses an increasingly representative cross section of Nottingham’s population as a whole.

Other than national/regional data on BAME presence in the PRS, information about other protected characteristics living in the tenure is severely limited; however national data on housing and disability³⁴ shows approximately equal proportions of disabled and non-disabled people living in the PRS (approx. 16-17%). However, given the much larger than average size of Nottingham’s PRS, we can be fairly confident that the City will have higher numbers of disabled people living in the PRS than other areas.

7. Impacts and Actions:

	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>

³³ <https://www.ethnicity-facts-figures.service.gov.uk/housing/owning-and-renting/renting-from-a-private-landlord/latest#by-ethnicity-and-area>

³⁴ <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/datasets/disabilityandhousinguk>

Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Younger	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

How different groups could be affected (Summary of impacts)	Details of actions to mitigate, remove or justify negative impact or increase positive impact (or why action isn't possible)
Provide details for impacts / benefits on people in different protected groups.	Continue on separate sheet if needed (click and type to delete this note)

<p>Selective Licensing, along with a wider set of measures, can help to address issues associated with the Private Rented Sector (PRS) such as antisocial behaviour (ASB), poor property conditions, high levels of deprivation and crime. These issues may have a disproportionate adverse effect on different types of communities; Selective licensing may therefore have a positive impact for those communities.</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 BAME communities. It is believed that BAME citizens are over represented in areas of the city where there is a high concentration of PRS properties, although the 2021 Census results are still awaited to confirm this; furthermore areas with an above average PRS also have an above average % of the population that are from a BAME background. Overcrowding is likely to be an issue in some areas and illegal conversions of properties particularly affect new and emerging communities.</p> <p>Potential benefit: Improved quality and safety of accommodation for BAME 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 conditions in homes are improved.</p> <p>Potential adverse impact:</p> <p>(a)Landlords</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 as it will be a licence condition that a landlord has a procedure for dealing with ASB.</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>
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Background: Property investment by the Asian community is often the foundation of their financial interests. People from South Asian backgrounds are disproportionately represented in the landlord sector and therefore, these communities could be disproportionately affected by these proposals.

Property portfolios are often seen as ‘pension schemes’ and a means to support families (within the UK and in Pakistan, India and Bangladesh), communities and faith institutions. Savings are often invested in property, either for longer term financial security or to support/start main income stream or employment via a property portfolio,

Concerns have been raised 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 have in the past perceived that landlords in their community have already been disproportionately affected by the additional licensing scheme and another scheme may have a big impact on their portfolios.

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 potential adverse impact. During the consultation exercise it is proposed to capture ethnic monitoring data as well as data from other protected characteristics which may provide better data on ownership and tenure within the PRS.

It is also acknowledged that this is a highly complex issue which will require a lot of support and explanation. During the first scheme events took place to support landlords from different communities to assist them in the application process and to help them fully understand what was expected of them.

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, but that this is not disproportionate in impact over the longer term.

It is intended that accredited landlords will pay a lower fee, reflecting the fact they have engaged with the Council’s accreditation partners DASH or Unipol and as such already achieve a higher than minimum standard.

During the first scheme there was some feedback from landlords that they would be increasing rents to pay for the application fee. There is anecdotal evidence that some of the rent increases were far higher than necessary to pay for the application fee. There is a reduced risk that selective licensing will result in further rent increases as the

(b) Tenants

There may be concerns that landlords will 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 BAME communities more are likely to earn less than those from non BAME 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.

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

Disabled people or carers

It has been previously identified that tenants with disabilities often face particular problems when renting properties. They may have problems with security of tenure. Landlords are often 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

scheme has already been running and any rent increases put in place before should be able to fund the application fee at the renewal of the licence. This impact would not be fully understood until the second scheme had been implemented. Some parts of the new proposed designation were not covered in the current scheme of licensing, so there may be small rent increases in these area. If the scheme does go ahead this part of the EIA can be kept under review and revised as necessary.

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 second scheme the proposed licence fee will not constitute more than a few pounds per week. The evidence from the current rent levels in the city suggests that although rents in the PRS increased after the introduction of selective licensing, this was part of an upward trend in rents that was also experienced by other cities and the country more widely. It is therefore a risk that the Council should be aware of, but one which needs to be placed in the context of other dynamics within the housing market..

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.

Selective Licensing does not bring any powers to compel landlords to carry out adaptations, so it cannot have an impact in respect of this.

<p>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. Disabled tenants have also highlighted problems renting properties when they have assistance dogs, as they may be seen as pets rather than an essential source of support.</p> <p>Potential benefit: An improvement in property standards which it is believed licensing will bring and have a positive impact on the lives of people with a disability or carer responsibilities.</p> <p>Potential adverse impact: Tenants in this protected characteristic could be affected by rent rises and other adjustments to the PRS market that might result from licensing changes.</p> <p><u>People from different faith groups</u></p> <p>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.</p>	<p>However, there are licence conditions around safety and amenities which can improve a property in terms of its suitability for a tenant with a disability.</p> <p>It is intended that accredited landlords will pay a lower fee, reflecting the fact they have engaged with the Council’s accreditation partners DASH or Unipol and as such already achieve a higher than minimum standard. This should result in the least possible impact on rent whilst improving overall property standards.</p> <p>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. However payment of the fee is in two parts to mitigate this.</p> <p>There is little that can be done to mitigate against people’s economic choices or established religious or cultural practice, this scheme however does not include any requirement to pay</p>
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<p><u>Older or younger people</u> The proposals are not believed to specifically have an adverse impact on these groups</p> <p>Potential adverse impact: however, the risk already mentioned of rent increases could have an impact on all sections of the community. Younger people ('Generation Rent') are more likely to have difficulties entering home ownership and therefore be renting in the PRS. They may also have lower incomes and be more adversely affected by rent increases.</p>	<p>or borrow monies in a manner contrary to said practice of not receiving interest.</p> <p>As mentioned above, the financial impact of licensing on those landlords whose properties meet a reasonable standard is small, and where landlords do have to invest substantially to meet the standards of the scheme, any yields that are depleted will have been based on the provision of substandard accommodation to the detriment to tenants until that point.</p>
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8. Arrangements for future monitoring of equality impact of this proposal / policy / service:

During the consultation exercise it is proposed to undertake more evidence gathering as to the ethnicity and other protected characteristics (as defined by the Equalities Act 2010) of landlords and tenants within the PRS.

A new EIA will not be completed on the basis of any further information regarding the landlord profile, as this is an economic choice and beyond that of protected characteristics, it will however be used to better tailor information about the scheme to ensure engagement and understanding, e.g. language and events conveniently located for landlords. It may be completed on the basis of more information being available on tenant profile, particularly around benefits especially to those who are particularly vulnerable to poor outcomes as a result of their living environment, such as the very young, elderly or disabled.

9. Outcome(s) of equality impact assessment:

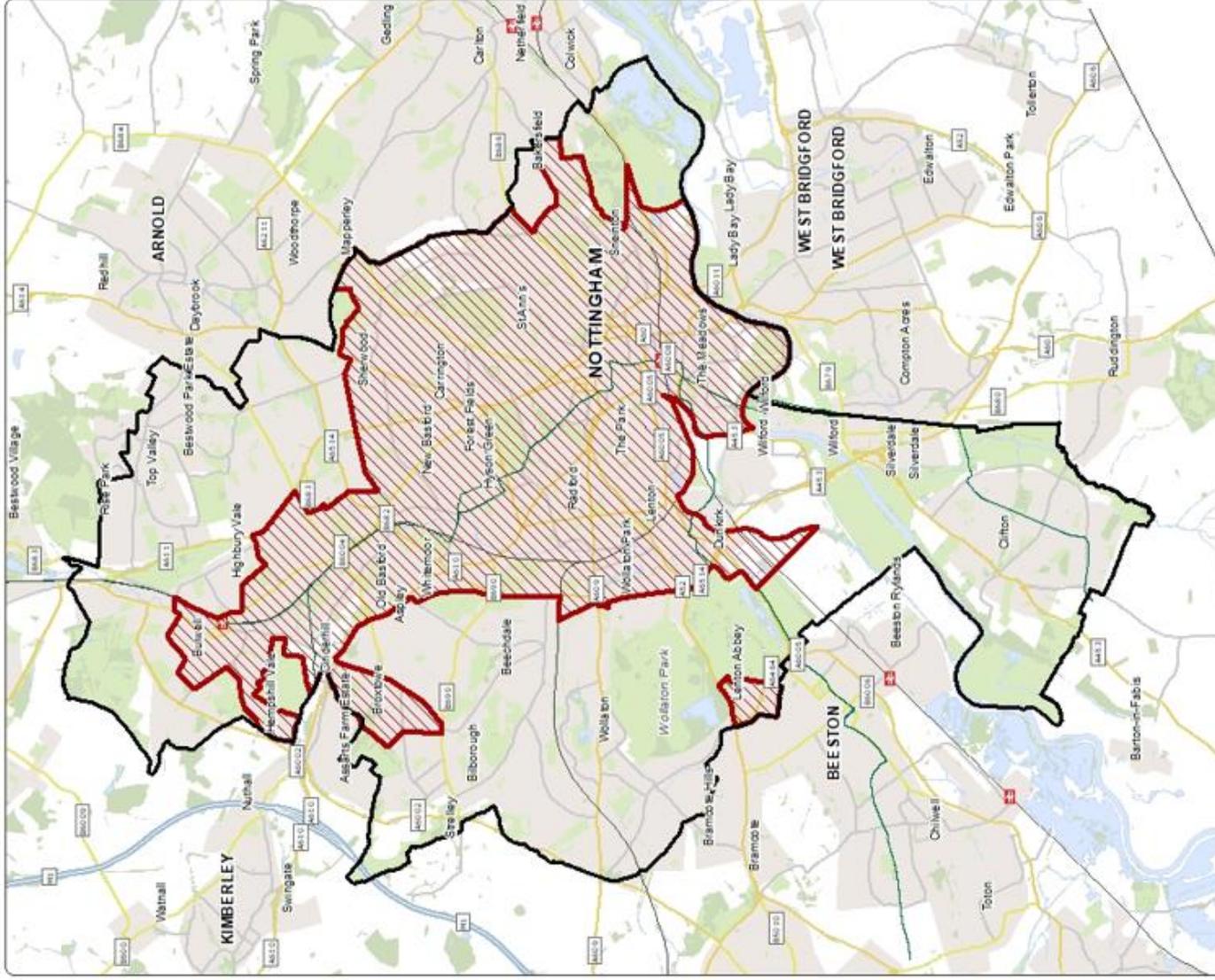
<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

10. Approved by (manager signature) and Date sent to equality team for publishing:

<p>Approving Manager: The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.</p>	<p>Date sent for advice: Send document or Link to: equalities@nottinghamcity.gov.uk</p>
<p>Approving Manager Signature: </p>	<p>Date of final approval: 05.04.2022</p>
<p>Before you send your EIA to the Equality and Employability Team for advice, have you:</p> <ol style="list-style-type: none"> 1. Read the guidance and good practice EIA's http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc 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. 	

PLEASE NOTE: FINAL VERSION MUST BE SENT TO EQUALITIES OTHERWISE RECORDS WILL REMAIN INCOMPLETE.

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viii. Property Improvement Case Study

Property Improvement Case Study

A positive, high profile impact of the work undertaken by the enforcement of selective licensing, where a landlord has failed to apply for a licence. The team prosecuted the landlord and property manager for 12 offences including failing to apply for both selective and additional licences for his properties. Since the prosecution the landlord has sold most of their properties in Nottingham City, with the remaining one's now being fully licensed and managed by an agent. Visits carried out as part of the investigations into failure to licence also identified poor standards in many properties, which were addressed with enforcement action, including improvement notices – resulting in works being carried out and emergency remedial works. The properties sold are now appropriately licensed by their new owners or owner occupied. Some of them were in a poor state of repair and have been bought and have been improved by a good, accredited landlord and have since been brought up to a high standard.

An example is a 3 storey property which had been converted into 3 flats on Hucknall Road. The property was identified as being likely to require 3 selective licences for each of the flats, and as a result Officers carried out visits to the flats to gather evidence. As well as collecting evidence in relation to the failure to licence the property, officers identified that there was imminent risk of harm to the tenants due to there being no working smoke detection in the building. The top flat was of particular concern as there was no means of escape from the windows in the event of a fire blocking the communal stairway. As a result, Officers used powers under the Housing Act 2004 to carry out emergency remedial works to install detection, which was charged to the landlord. It was also identified that there were structural issues with the property including a collapsing floor in the communal hallway – this was referred to the Safer Housing core team and resulted in a Prohibition Order being served due to the seriousness and extent of the disrepair present. The property was sold by said landlord and the new purchaser, a DASH accredited landlord, renovated the property and applied for Selective licences for each of the units of accommodation.

On the following page there are some photographs of the before and after the property was improved through the intervention of the enforcement team with the introduction of selective licensing.

ix. Safeguarding Case Study A

Safeguarding Case Study A

An officer visited a property in Hyson Green, on two occasions to check on fire detection as part of a day of action and then to complete a Part 1 HHSRS inspection as there was some low/medium level disrepair at the property.

There were three occupants present, one adult female and two male children. The adult who is a single mother. There was a language barrier which prevented me from obtaining full details on all the occupants but I believed there were two other children living there with her. The eldest male appeared to be of school age but there was no reason offered for him not attending school on either of the days visited.

The youngest male was a toddler. He was able to walk and followed the officer around the property and on two occasions the officer had to call out to the other occupants as he was in a room unsupervised. In both instances his older brother came to collect him. This is a three storey property but there are no child gates on any of the stairways. The child's bedroom contained two single beds. There was only a net curtain in this room and both beds had a very limited amount of bedding with no proper sheets or duvets. There was very limited storage in this room with very few children's clothes visible. Although there were no signs of malnourishment or lack of care I was concerned about the welfare of the children so I made a referral to the Safeguarding gateway team, Children's services.

We are not involved in the referral to social services so we are unaware of the outcome of this, however it has led to partner agencies investigating to see if further support is required for the family. As regards the disrepair issues; the Landlord has confirmed that the majority of jobs have been completed so the property itself has been improved. It was also noted that the laminate flooring was replaced on the ground floor between my compliance visit and the Part 1 inspection, possibly instigated by my issuing a S239.

If the scheme was not in place I would not have had reason to visit the property. Part of our process is to complete a tenant verification which involves asking questions about how the tenants feel the property is managed and maintained. This can reveal issues that a very structured hazard assessment does not necessarily allow for.

x. Safeguarding Case Study B

Safeguarding Case Study B

Wider benefits of the selective licensing scheme - children's safeguarding.

During a Day of Action in the summer of 2021, an officer conducted a Part 3 compliance inspection with no notice of entry to a mid-terraced, single family dwelling situated in a densely populated part of the City, which suffers economic and social inequality.

The tenant lived in the Property with his wife and several children, both male and female.

The Property was very untidy, dirty, poorly maintained and threadbare.

Throughout the inspection, whilst identifying many defects that were contributing towards hazards, the officer was concerned for the welfare of the children – they were not present at the time.

Amongst many things, their sleeping arrangements were inadequate and were in a poor state – filthy bedding and mattresses.

The bathroom and toilet facilities were unsanitary, because of the lack of cleaning, adequate toiletries etc.

The kitchen was not conducive towards maintaining a clean and tidy area for healthy food preparation and cooking, indeed the only evidence amongst the pile of dirty kitchen ware were fast food packaging possibly indicating that the family never prepare food at home.

Both parents appeared disconnected from the reality of their dirty living conditions with no obvious signs that they recognised for themselves that this was not a healthy place for their children to learn how to become responsible adults.

The lack of cleanliness throughout the property that was prejudicial to health and hygiene and was going beyond poverty and lack of income but more towards neglect.

The overall standards in the property, notwithstanding elements of disrepair within and the ambivalent attitude of the parents did not appear to lend itself to be a safe, happy, warm and secure environment for young people to develop, grow and mature.

- Which partners did you work with, if any?

NCC Children's Services.

- How you made a difference?

The family were already known to Social Services.

The day after our officer made her referral to the family case worker, a scheduled hearing was held in the Family Court regarding all of these safeguarding matters and to determine what was best for the children.

The Officer's professional observations were also used during this hearing as further evidence of the parental neglect. Sadly, all the children were made wards of court and taken into care until the parents were able to demonstrate improvements in how they were going to bring up their children.

- How does this support licensing outcomes around reducing crime, ASB, improving property conditions or deprivation?

There is no suggestion, evidence or intelligence to suggest that the family were involved in ASB.

However, following a subsequent Part 1 inspection, this confirmed the presence of both significant Cat 1 and Cat 2 hazards relating to amongst other hazards, excess cold together with damp and mould.

The licence holder did engage with the Authority and did take remedial action to remove and reduce these and other hazards to a satisfactory standard.

However, without the initial inspection taking place in the first instance because of the existence of the SL scheme, the officer's observations and concerns regarding the hardship that the children were experiencing may not have been realised.

Ultimately, the decision to take the children into care may not have been as a direct result of the first inspection, it certainly provided further proof to the court that at that time the family were not living in the manner that ordinarily, one would expect them to be living.

It is not satisfying to see children removed from their families. Nevertheless, this difficult legal determination provided respite for the children who would otherwise suffer continued deprivation and indignity during the critical times in their lives.

xi. Crime and Drugs Partnership Report 2022



January 2022

Exploring the role of private rented households on rate of crime and anti-social behaviour in Nottingham

Author of Report: Samuel Gould & Noel Oxford, Nottingham Crime & Drugs Partnership
Sponsor of Report: Selective Licensing, Nottingham City Council

1.0 ABSTRACT

- 1.1 Lower Super Output Areas (LSOAs)³⁵ in Nottingham with high proportions of private rented households, both including and excluding houses in multiple occupation (HMOs), were compared with all other Nottingham LSOAs. The crime and anti-social behaviour rate was significantly higher in LSOAs with a proportion of privately rented households above the City average compared to other LSOAs, and was significantly higher than the Nottingham average. A positive correlation therefore exists between the proportion of households that are private rented and the rate of crime and anti-social behaviour.

2.0 INTRODUCTION

- 2.1 Crime and disorder is not evenly distributed across individuals or areas (Pease & Tseloni, 2014). Unravelling the factors that explain this uneven distribution is key to developing robust and effective crime prevention strategies. Recent evidence acknowledges the role of household characteristics and area characteristics in jointly explaining variation in crime, particularly burglary and theft (Tseloni, 2006).
- 2.2 Private rented status as well as age, length of residence, inner city living and population density have been shown to be individually associated with crime. Whilst older age and higher residency length have a protective effect on crime, high levels of private rented households is associated with increased risk of personal and property crimes (Tseloni, Ntzoufras, Nicolaou & Pease, 2010). Household tenure status has also been cited as a contributory factor in cross-national publications (Tseloni, Wittebrood, Farrell & Pease, 2004).
- 2.3 This local study aims to explore whether an association exists between density of private rented households and crime and anti-social behaviour rates in Nottingham. The results will be included in Nottingham City Council's selective licensing application to the Department for Levelling Up, Housing and Communities (DLUHC).

³⁵ The LSOA is a geographical area with an average of approximately 1,500 residents or 650 households, designed to assist in analysis and reporting of small area statistics.

3.0 METHODOLOGY

- 3.1 The rate of crime and anti-social behaviour³⁶ in LSOAs where the proportion of households that were private rented, including HMOs³⁷, exceeded 19% (the average proportion of private rented households) was compared to the rate of crime and anti-social behaviour in the remaining output areas. The exposure variable was binary; LSOAs were categorised as private rented if the proportion of households that were private rented exceeded the average and non-private rented if the proportion of households that were private rented was less than or equal to the average. The outcome variable, rate of crime and anti-social behaviour, was continuous.
- 3.2 The volume of households and private rented households per LSOA was sourced from the Census 2011 whereas the volume of HMO licenses and expected licenses was sourced from Nottingham City Council records.
- 3.3 In order to assess the effect of HMOs, the method described in 3.1 was repeated for output areas where the proportion of households that were private rented, excluding HMOs, exceeded 19% (the average proportion of private rented households excluding other-multi person households).
- 3.4 Table 1 below shows the volume of output areas in Nottingham broken down by the two thresholds for private rented including and excluding HMOs.

Table 1: Breakdown of LSOAs

Threshold (Volume of LSOAs)	Private Rented	Non-Private Rented	Nottingham Total
Volume of households that are private rented including HMOs exceeds 19%	85	89	182
Volume of households that are private rented excluding HMOs exceeds 19%	97	93	182

³⁶ Police recorded crime and anti-social behaviour calls to the police from August 2018 to November 2021 rate per household (according to Census 2011).

³⁷ Defined as HMO applications and expected HMO applications.

4.0 RESULTS

- 4.1 A statistically significantly higher crime and anti-social behaviour rate was observed in LSOAs in which the proportion of private rented households (including HMOs) exceeded 19%. Table 2 below shows the overall comparison of various crime and ASB strands between private/non-private rented areas, and with HMOs included/excluded.

Table 2: Comparison of crime/ASB rates between private/non-private rented LSOAs

Type of Crime or ASB	Private Rented Areas	Non-Private Rented areas	Private Rented areas excluding HMOs	Non-Private Rented Areas Including HMOs
All Crime	1.17	0.69	1.17	0.70
Violence	0.35	0.27	0.35	0.27
Burglary	0.06	0.03	0.06	0.04
Criminal Damage	0.10	0.08	0.10	0.08
All ASB	0.52	0.28	0.53	0.28
Noise related ASB	0.19	0.11	0.19	0.11
Offence type per household				

- 4.2 The rate in these LSOAs also exceeded the overall rate for Nottingham. Table 3 shows the associated crime and anti-social behaviour rates per household for the private rented sector LSOAs, the remaining output areas and the overall rate in Nottingham. The greatest effect was observed in all crime, where the rate in private rented LSOAs was increased by over two-thirds (169%).

Table 3: Crime and anti-social rate per household (HMOs included as private rented)

Type of Crime or ASB	Private Rented Areas	Non-Private Rented areas	Nottingham Rate
All Crime	1.17	0.69	0.95
Violence	0.35	0.27	0.31
Burglary	0.06	0.03	0.05
Criminal Damage	0.10	0.08	0.09
All ASB	0.52	0.28	0.41
Noise related ASB	0.19	0.11	0.15
Offence type per household			

- 4.3 Crime and anti-social behaviour rates were also higher for output areas in which the proportion of private rented households (excluding HMOs) exceeded 19%. The size of the effect was reduced slightly compared to the previous results in which HMOs were included in the private rented calculation. As with the previous results, the greatest effect was observed in all crime, where the rate in private rented output areas was again two-thirds greater (167%) that of other areas. Table 4 below shows the associated crime and anti-social behaviour rates per household for the private rented sector (excluding HMOs) LSOAs, the remaining LSOAs, and the overall rate in Nottingham.

Table 4: Crime and anti-social rate per household (HMOs excluded as private rented)

Type of Crime or ASB	Private Rented areas excluding HMOs	Non-Private Rented Areas Including HMOs	Nottingham Rate
All Crime	1.17	0.70	0.95
Violence	0.35	0.27	0.31
Burglary	0.06	0.04	0.05
Criminal Damage	0.10	0.08	0.09
All ASB	0.53	0.28	0.41
Noise related ASB	0.19	0.11	0.15
Offence type per household			

- 4.4 The difference in crime/ASB rates from the Nottingham average between private/non-private rented LSOAs was calculated. This showed a significant increase over the average crime/ASB rates in Nottingham for private rented versus non-private rented LSOAs. Tables 5 to 8 below summarise this.

Table 5: Comparison of crime/ASB rates in private rented LSOAs

Type of Crime or Anti-Social Behaviour	Nottingham Rate	Private Rented Areas	Difference
All Crime	0.95	1.17	0.22
Violence	0.31	0.35	0.04
Burglary	0.05	0.06	0.01
Criminal Damage	0.09	0.10	0.01
All ASB	0.41	0.52	0.11
Noise related ASB	0.15	0.19	0.04

Table 6: Comparison of crime/ASB rates in private rented LSOAs (excluding HMOs)

Type of Crime or Anti-Social Behaviour	Nottingham Rate	Private Rented areas excluding HMOs	Difference
All Crime	0.95	1.17	0.23
Violence	0.31	0.35	0.04
Burglary	0.05	0.06	0.01
Criminal Damage	0.09	0.10	0.01
All ASB	0.41	0.53	0.12
Noise related ASB	0.15	0.19	0.04

Table 7: Comparison of crime/ASB rates in non-private rented LSOAs

Type of Crime or Anti-Social Behaviour	Nottingham Rate	Non-Private Rented areas	Difference
All Crime	0.95	0.69	-0.26
Violence	0.31	0.27	-0.04
Burglary	0.05	0.03	-0.02
Criminal Damage	0.09	0.08	-0.01
All ASB	0.41	0.28	-0.13
Noise related ASB	0.15	0.11	-0.04

Table 8: Comparison of crime/ASB rates in non-private rented LSOAs (including HMOs)

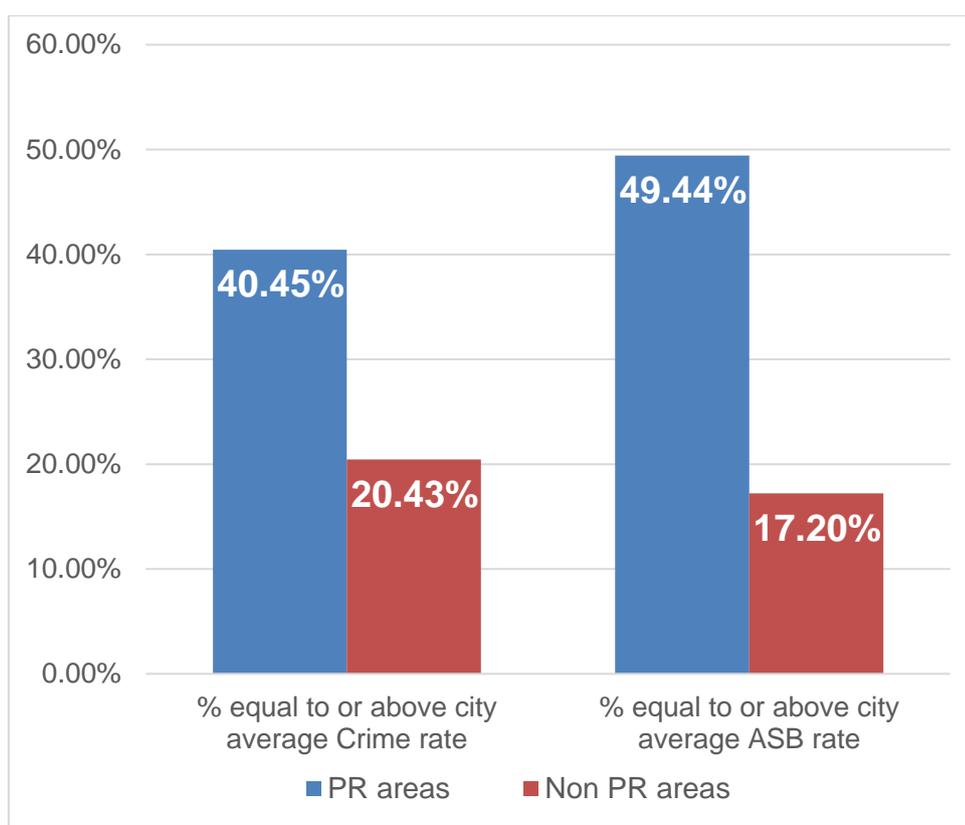
Type of Crime or Anti-Social Behaviour	Nottingham Rate	Non-Private Rented Areas Including HMOs	Difference
All Crime	0.95	0.70	-0.25
Violence	0.31	0.27	-0.04
Burglary	0.05	0.04	-0.01
Criminal Damage	0.09	0.08	-0.01
All ASB	0.41	0.28	-0.13
Noise related ASB	0.15	0.11	-0.04

4.5 Supporting this analysis, it was found that, by percentage, the rate of crime and anti-social behaviour was typically above the City average in LSOAs with a greater proportion of private rented households. Results are summarised in Table 9 and Figure 1 below.

Table 9: Comparison of crime/ASB rates in private/non-private rented areas

Crime/ASB	Percentage		Number	
	PR areas	Non PR areas	PR areas	Non PR areas
% equal to or above city average Crime rate ³⁸	40.45%	20.43%	36	19
% equal to or above city average ASB rate ³⁹	49.44%	17.20%	44	16

Figure 1: Percentage of LSOAs by housing sector equal to or above the average crime/ASB rate in Nottingham

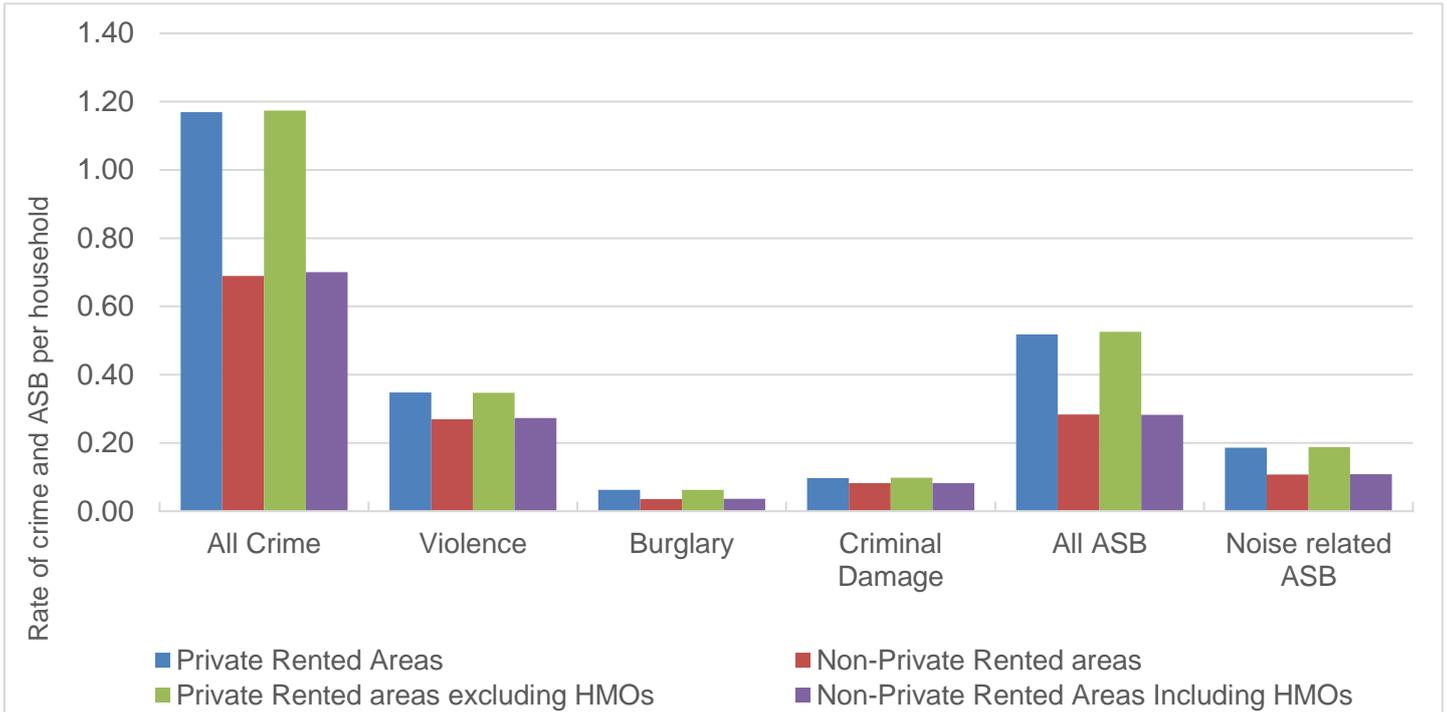


4.6 An assessment of LSOAs in which the proportion of private rented households exceeded the average showed that higher levels of crime, and anti-social behaviour were more common in these LSOAs compared to all others. This assessment is illustrated below in Figure 2.

³⁸ City average crime rate = 0.95 per household

³⁹ City average ASB rate = 0.41 per household

Figure 2: Rates of crime/ASB per household broken down by housing type



4.7 Appendix A includes maps by LSOA of private rented household (including and excluding HMOs), crime rate and anti-social behaviour rate. These maps provide some further evidence for a correlation between private rented households and disorder.

5.0 CONCLUSIONS

- 5.1 Notwithstanding the identified effect of the private rented sector on anti-social behaviour and crime there are a number of considerations that should be taken into account in the interpretation of these findings. The observed correlation does not necessarily mean that private rented households cause higher rates of crime and anti-social behaviour. It is likely that other variables associated with private rented sector households lead to increased risk. Examples of these other variables include tenants' age, household composition and the population density of an LSOA. Further analysis is required in order to explore this in more detail and this should ideally be completed at an individual level.
- 5.2 It is also important to note that recorded crime and anti-social behaviour statistics are not a perfect measure of the true level of crime that occurs. The amount of crime and anti-social behaviour that is reported may vary from area to area.
- 5.3 In epidemiological terms, this ecological study design can be used to test a hypothesis but is at risk of ecological fallacy, where findings for the groups may not apply to individuals in the group. It cannot be ascertained from this analysis whether the individuals who were victims of crime or anti-social behaviour were those living in privately rented households. This is a recognised limitation of the study and should be taken into consideration when interpreting its findings.
- 5.4 Whilst the exact nature of the relationship remains unclear, the evidence outlined in this paper suggests an association between increased crime and anti-social behaviour rates in areas which have a comparatively high proportion of private rented households. Whilst the effect is greatest when HMOs are included as private rented sector households, the effect remains statistically significant when HMOs are removed from the private rented sector category.

REFERENCES:

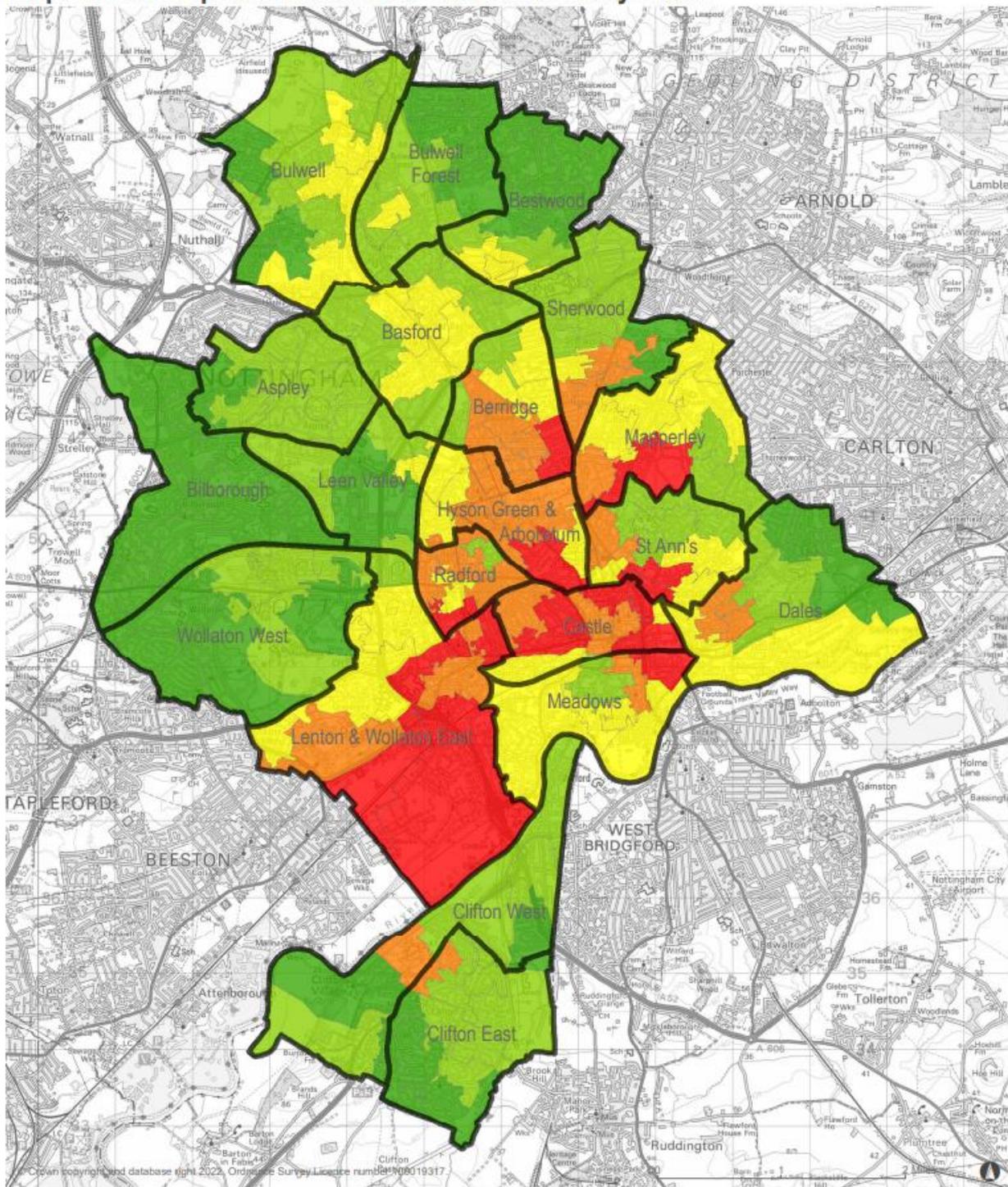
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Proportion of Properties in the Private Rented Sector by LSOA



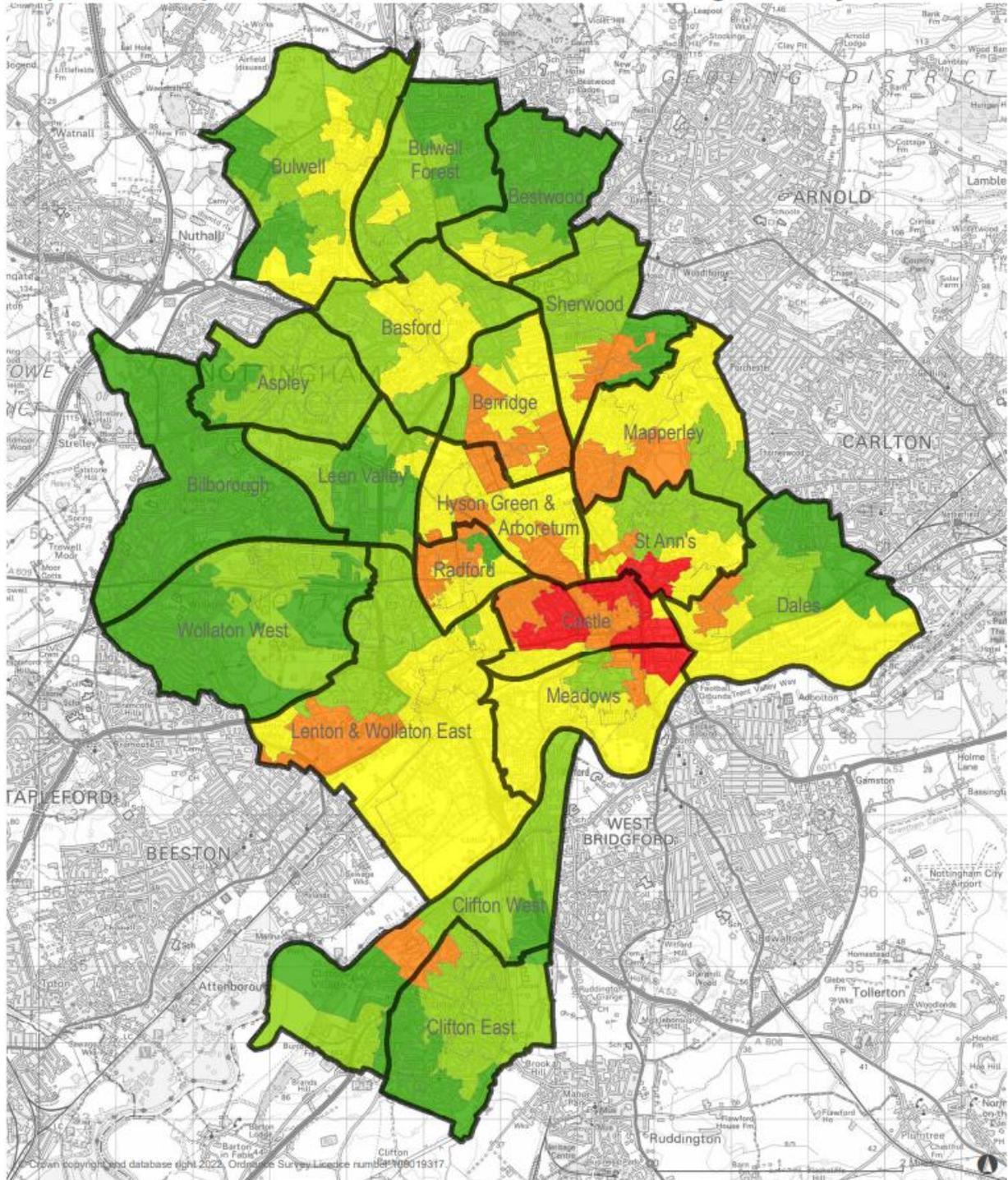
Proportion of private rented

- 1 - 10%
- 10 - 25%
- 25 - 50%
- 50 - 75%
- 75 - 100% (highest figure = 96%)

Nottingham City wards



Proportion of Properties in the Private Rented Sector - excluding HMOs - by LSOA



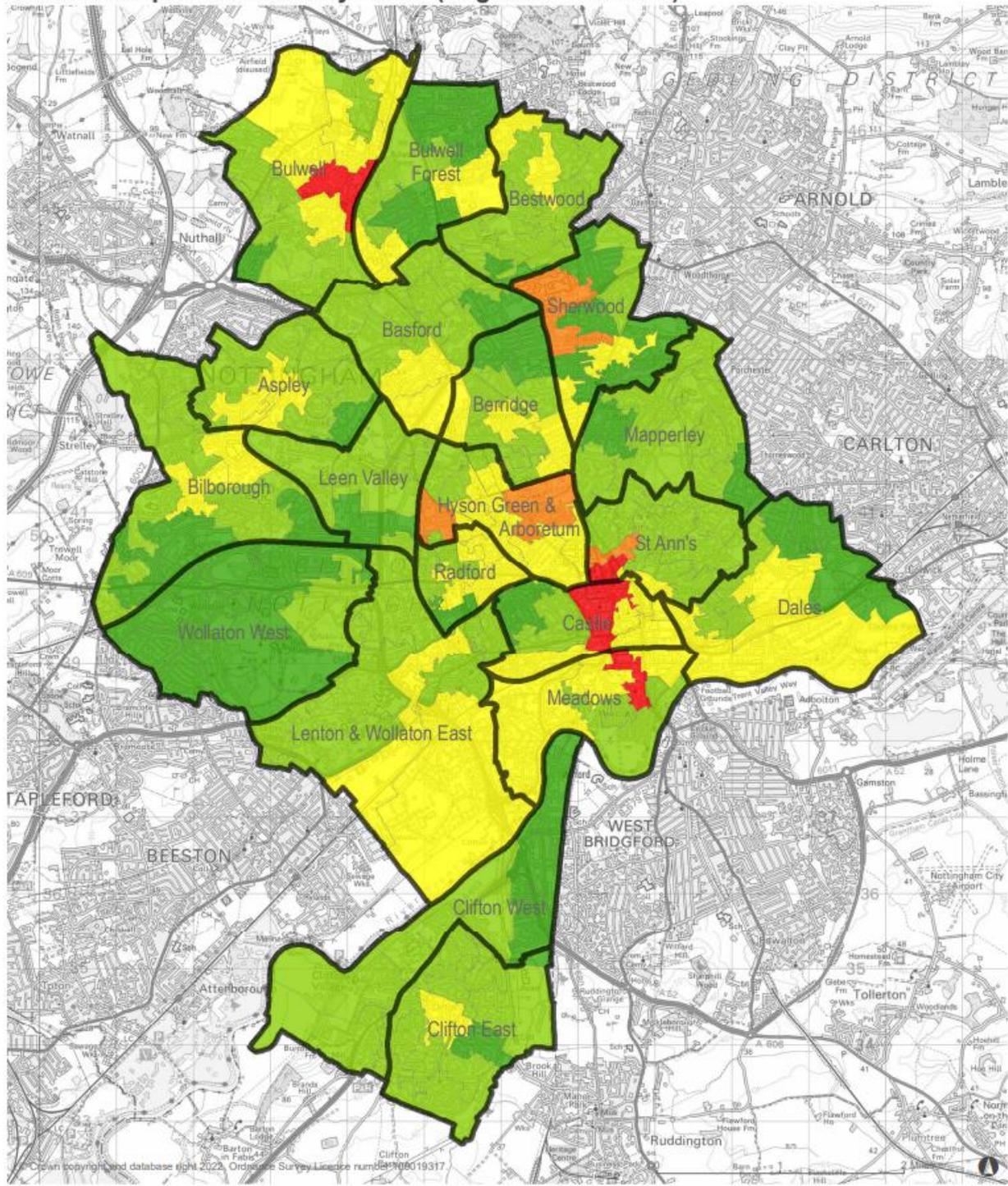
Proportion of private rented - excl. HMOs

- 1 - 10%
- 10 - 25%
- 25 - 50%
- 50 - 75%
- 75 - 100% (highest figure = 90%)

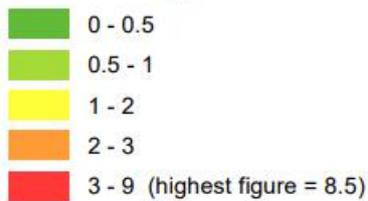
Nottingham City wards



Crime Rates per Household by LSOA (Aug 2018 - Nov 2021)



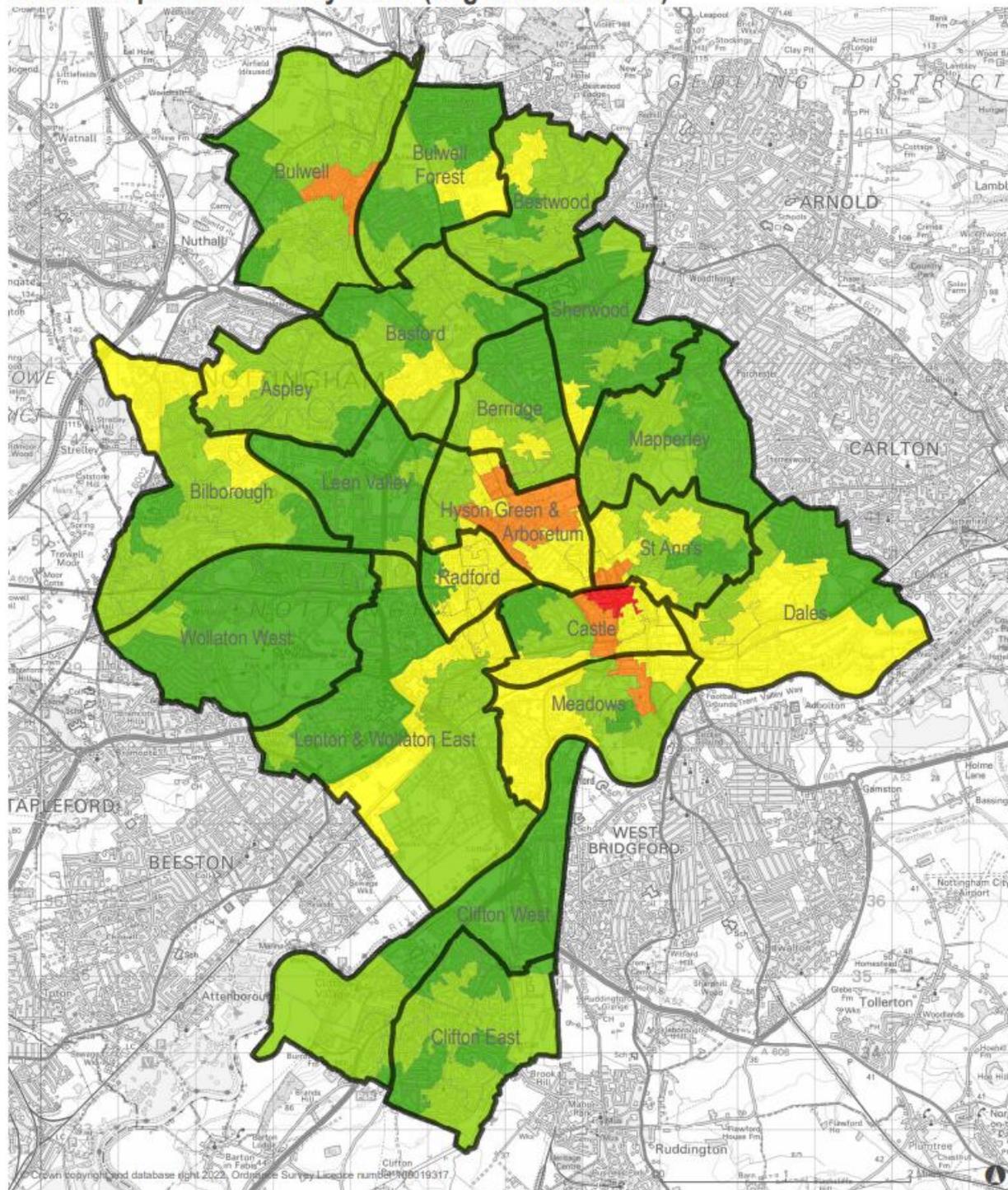
Crime Rates per household



Nottingham City wards



ASB Rates per Household by LSOA (Aug 2018 - Nov 2021)



ASB Rates per household



Nottingham City wards



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The Nottingham City Council Designation of an Area for Selective Licensing 2023.

Nottingham City Council in exercise of its powers under section 80 of the Housing Act 2004 (“the Act”) hereby designates for selective licensing the area described in paragraph 4.

CITATION, COMMENCEMENT AND DURATION

1. This designation may be cited as the Nottingham City Council Designation for an Area for Selective Licensing 2023.
2. This designation is made on [] and shall come into force on [***This date will not be earlier than three months after the designation has been confirmed by Communities and Local Government – leave blank as it will be inserted by Communities and Local Government in consultation with the applicant authority***]
3. This designation shall cease to have effect on [***Date to be inserted by Communities and Local Government – normally five years from the date the designation came into force, unless the applicant authority has requested approval for a scheme of a shorter duration***] or earlier if the Council revokes the scheme under section 84 of the Act.

AREA TO WHICH THE DESIGNATION APPLIES

4. This designation shall apply to those areas of the City of Nottingham shown edged and hatched in red on the map at annex a.

APPLICATION OF THE DESIGNATION

5. This designation applies to any house¹ which is let or occupied under a tenancy or licence within the area described in paragraph 4 unless –
 - (a) the house is a house in multiple occupation and is required to be licensed under Part 2 of the Act²;
 - (b) the tenancy or licence of the house has been granted by a registered social landlord³;

¹ For the definition of “house” see sections 79 and 99 of the Act

² Section 55 of the Act defines which Houses in Multiple Occupation are required to be licensed under the Act. See also The Licensing of Houses in Multiple Occupation (Prescribed Descriptions) (England) Order 2005 (SI 2006/371)

³ Section 79 (3) of the Act. For the definition of a Registered Social Landlord see Part 1 of the Housing Act

- (c) the house is subject to an Interim or Final Management Order under Part 4 of the Act;
- (d) the house is subject to a temporary exemption under section 86 of the Act; or
- (e) the house is occupied under a tenancy or licence which is exempt under the Act⁴ or the occupation is of a building or part of a building so exempt as defined in annex b;

EFFECT OF THE DESIGNATION

- 6. Subject to sub paragraphs 5(a) to (e) every house in the area specified in paragraph 4 that is occupied under a tenancy or licence shall be required to be licensed under section 85 of the Act.⁵
- 7. Nottingham City Council will comply with the notification requirements contained in section 83 of the Act and shall maintain a register of all houses registered under this designation, as required under section 232 of the Act.⁶

Date: [***The date is the date the Council resolved to make the scheme***]

[Council seal]

Authorised Signatory

The Secretary of State for Communities and Local Government under the power conferred by section 82(2) of the Act hereby confirms the scheme described above.

Signed

An officer authorised by the Secretary of State

Date

1996

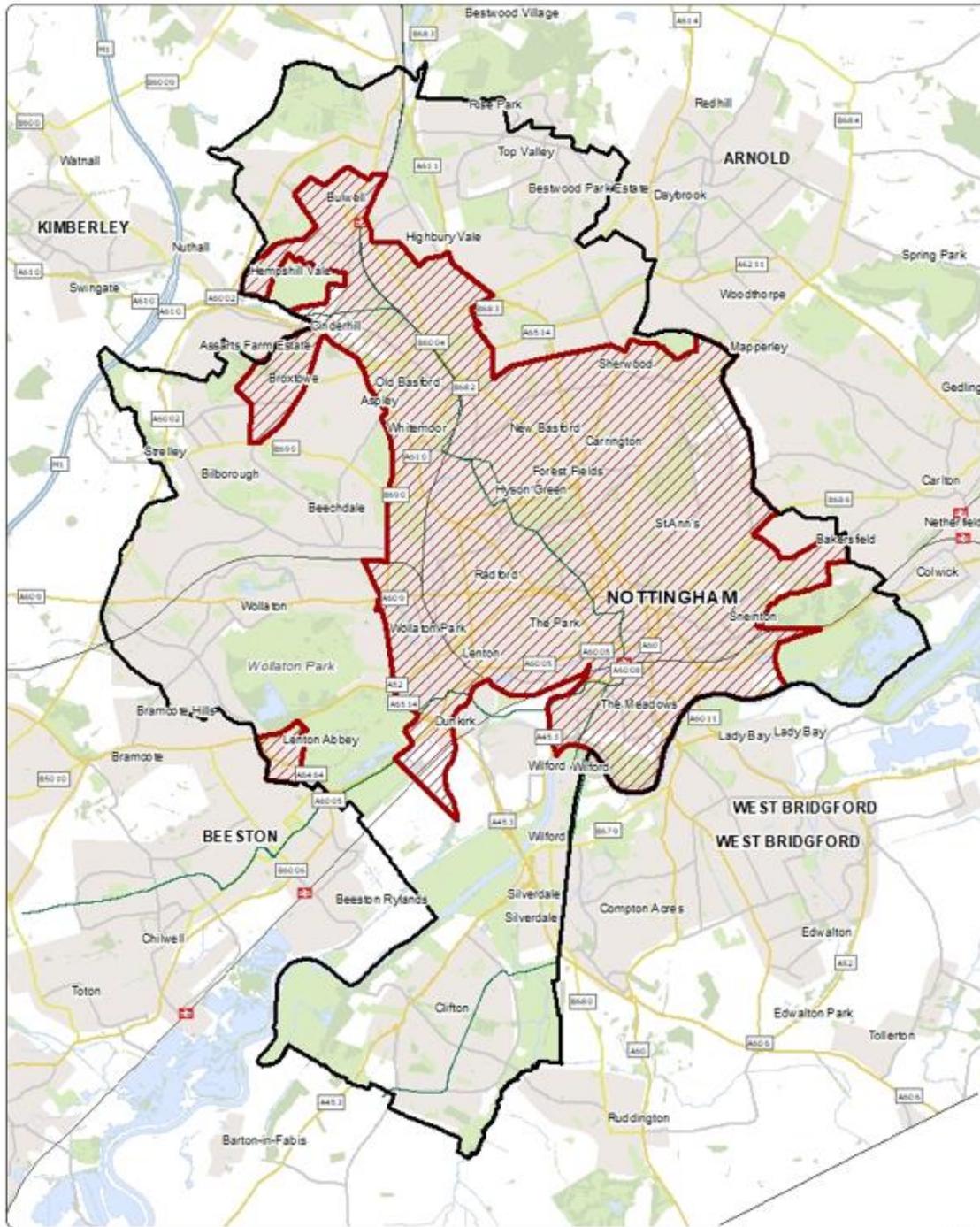
⁴ Section 79 (4) of the Act and SI 370/2006

⁵ Section 86 of the Act provides for certain temporary exemption. As to suitability see section 89. Note, if the house is not suitable to be licensed the Council must make an Interim Management Order-see section 102.

⁶ Section 232 of the Act and paragraph 11 of SI 373/2006

Annex a – Paragraph 4: Map of Designated Area

Draft Designation 2023



- City Boundary
- Draft Designation



Annex b – Paragraph 5(e): Exempted Tenancies or licences¹

Prohibition of occupation by law

1. A tenancy or licence of a house² or a dwelling³ within a house where the house or the dwelling is subject to a prohibition order made under section 20 of the Act the operation of which has not been suspended under section 23.

Certain tenancies which cannot be assured tenancies

2. A tenancy which cannot be an assured tenancy by virtue of section 1 (2) of the Housing Act 1988 comprised in Part of Schedule 1 of the Act and which is:
 - (a) a business tenancy under Part II of the Landlord and Tenant Act 1954
 - (b) a tenancy under which the dwelling-house consists of or comprises premises, which, by virtue of a premises licence under the Licensing Act 2003, may be used for the supply of alcohol (within the meaning of Section 14 of that Act) for consumption on the premises⁴
 - (c) a tenancy under which agricultural land, exceeding two acres, is let together with the house⁵
 - (d) a tenancy under which the house is comprised in an agricultural holding or the holding is comprised under a farm business tenancy if it is occupied (whether as tenant or as a servant or agent of the tenant), in the case of an agricultural holding, by the person responsible for the control of the farming of the holding, and in the case of a farm business tenancy, by the person responsible for the control of the management of the holding⁶.

Tenancies and licences granted etc. by public bodies

3. A tenancy or licence of a house or dwelling within a house that is managed or controlled⁷ by:
 - (a) a local housing authority
 - (b) a police authority established under section 3 of the Police Act 1996 or the Metropolitan Police Authority established under section 5B of that Act

¹ See The Selective Licensing of Houses (Specified Exemptions) (England) Order 2006 SI 370/2006

² Sections 79 (2) and 99 of the Act

³ For the definition of a dwelling – see section 99 of the Act

⁴ See paragraph 5 of Schedule 1 of the 1988 Act as amended by section 198 (1) and paragraph 108 of schedule 6 of the Licensing Act 2003

⁵ For the meaning of “agricultural land” section 26 (3) (a) of the General Rate Act 1967

⁶ See paragraph 7 of Schedule 1 of 1988 Act as amended by section 40 and paragraph 34 of the Schedule to the Agricultural Tenancies Act 1995

⁷ For the definition of “person managing” and “person having control” see section 263 of the Act

- (c) a fire and rescue authority under the Fire and Rescue Services Act 2004;
- (d) a health service body within the meaning of section 4 of the National Health Service and Community Care Act 1990.

Tenancies, licences etc. regulated by other enactments

4. A tenancy, licence or occupation of a house which is regulated under the following enactments:

- (a) sections 87 to 87D of the Children Act 1989
- (b) section 43 (4) of the Prison Act 1952
- (c) section 34 of the Nationality, Immigration and Asylum Act 2002
- (d) The Secure Training Centre Rules 1998⁸
- (e) The Prison Rules 1999⁹
- (f) The Young Offender Institute Rules 2000¹⁰
- (g) The Detention Centre Rules 2001¹¹
- (h) The Criminal Justice and Court Service Act 2000 (Approved Premises) Regulations 2001¹²
- (i) The Care Homes Regulations 2001¹³
- (j) The Children's Homes Regulations 2001¹⁴;
- (k) The Residential Family Centres Regulations 2002¹⁵.

Certain student lettings etc.

5. A tenancy or licence of a house or a dwelling within a house –

- (i) which is managed or controlled by a specified educational establishment or is of a specified description of such establishments and

⁸ SI 472/1998 as amended by SI 3005/2003

⁹ SI 728/1999 as amended by SI 1794/2000, SI 1149/2001, SI 2116/2002, SI 3135/2002. SI 3301/2003 and SI 869/2005

¹⁰ SI 3371/2000 as amended by SI 2117/2002, SI 3135/2002 and SI 897/2005

¹¹ SI 238/2001. Section 66 (4) of the Nationality, Immigration and Asylum Act 2002 provides that the reference to a detention centre is to be construed as a reference to a removal centre as defined in Part VIII of the Immigration and Asylum Act 1999

¹² SI 850/2001

¹³ SI 3965/2001 as amended by SI 865/2001. SI 534/2003, SI 1590/2003, SI 1703/2003, SI 1845/2003, SI 664/2004, SI 696/2004, SI 1770/2004, SI 2071/2004 SI and SI 3168/2004

¹⁴ SI 3967/2001 as amended by SI 865/2002, SI 2469/2002, SI 664/2004 and SI 3168/2004

¹⁵ SI 3213/2002 as amended by SI 664/2004, SI 865/2004 and SI 3168/2004

- (ii) the occupiers of the house or dwelling are undertaking a full time course of further or higher education at the specified establishment¹⁶ and
- (iii) the house or dwelling is being managed in conformity with an Approved Code of Practice for the management of excepted accommodation under section 233 of the Act¹⁷

Long leaseholders

6. A tenancy of a house or a dwelling within a house provided that –

- (i) the full term of the tenancy is for more than 21 years and
- (ii) the tenancy does not contain a provision enabling the landlord (or his successor his in title) to determine it other than by forfeiture, earlier than at the end of the term and
- (iii) the house or dwelling is occupied by a person to whom the tenancy was granted or his successor in title or by any members of either of those person's family.

Certain family arrangements

7. A tenancy or licence of a house or a dwelling within a house where –

- (i) the person who has granted the tenancy or licence to occupy is a member of the family of the person who has been granted the tenancy or licence and
- (ii) the person who has granted the tenancy or licence to occupy is the freeholder or long leaseholder of the house or dwelling and
- (iii) the person occupies the house or dwelling as his only or main residence (and if there are two or more persons at least one of them so occupies).

Holiday lets

8. A tenancy or licence of a house or a dwelling within a house that has been granted to the person for the purpose of a holiday.

Certain lettings etc. by Resident Landlord etc.

9. A tenancy or licence of a house or a dwelling within a house under the terms of which the person granted the tenancy or licence shares the use of any amenity with the person granting that tenancy or licence or members of that person's family. An "amenity" includes a toilet, personal washing facilities, a kitchen or a living room but excludes any area used for storage, a staircase, corridor or other means of access.

¹⁶ See the schedule to The Houses in Multiple Occupation (Specified Educational Establishments) (England) (No 2) Regulations 2006 for the list of specified bodies

¹⁷ The relevant codes of practice are approved under SI 646/2006 – The Housing (Approval of Codes of Management Practice) (Student Accommodation) (England) Order 2006

Interpretation

10. In this annex:

- (a) a “person” includes” persons”, where the context is appropriate
- (b) a “tenancy” or “licence” includes “a joint tenancy” or “joint licence”, where the context is appropriate
- (c) “long leaseholder” in paragraph 7 (ii) has the meaning conferred in paragraphs 6 (i) and (ii) and in those paragraphs the reference to “tenancy” means a “long lease”
- (d) a person is a member of the family of another person if –
 - (i) he lives with that person as a couple
 - (ii) one of them is the relative of the other; or
 - (iii) one of them is, or is a relative of, one member of a couple and the other is a relative the other member of the couple

and
 - (iv) For the purpose of this paragraph –
 - (1) “couple” means two persons who are married to each other or live together as husband and wife or in an equivalent arrangement in the case of persons of the same sex
 - (2) “relative” means a parent, grandparent, child, grandchild, brother, sister, uncle, aunt, nephew, niece or cousin
 - (3) a relationship of the half-blood is to be treated as a relationship of the whole blood and
 - (4) a stepchild of a person is to be treated as his child

Subject:	Extension of Property Acquisitions (Housing) Programme Budget to meet Deficit
Corporate Director(s)/Director(s):	Sajeeda Rose – Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Toby Neal, Portfolio Holder for Housing and HR
Report author and contact details:	Ceri Davies (ceri.davies@nottinghamcity.gov.uk x.63530) Housing Strategy Specialist.
Other colleagues who have provided input:	Thomas Straw – Senior Accountant (Capital) Jacqueline Heffron – Senior Solicitor
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 checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 12/04/2022
Total value of the decision:	£938,247
Wards affected:	All
Date of consultation with Portfolio Holder(s):	21/04/2022
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>There is an outstanding forecast expenditure of £828,000 required to bring acquired properties into use for letting or for works to be paid.</p> <p>Of the 76 properties, works on 25 have been completed with works payment outstanding, with a further 48 awaiting approval of funds before proceeding.</p> <p>The primary objective is to get as many properties into circulation for letting as soon as possible, in order to reduce pressure on the waiting list, homeless and associated temporary accommodation budgets, and on council tax costs.</p> <p>Therefore, a total budget extension of £938,247 is requested, to include 5% price inflation on works costs as they move into the new financial year and a further 8% contingency and to be comprised of Housing Revenue Account (HRA) capital.</p>	
Does this report contain any information that is exempt from publication?	No
Recommendation(s):	

1 To approve an additional £938,247 budget from for the property acquisitions programme to meet the costs of works.

2 To approve the use of Housing Revenue Account capital for this budget extension.

1. Reasons for recommendations

1.1 As the properties remain viable overall in so far as they do not generate an in year deficit as a result of revised works costs and/or there is specific requirement for certain properties whereby a small deficit can be accommodated by the overall surplus of the new acquisitions. This analysis was requested in order to establish whether some properties were on balance better being sold on rather than retained, which none were.

1.2 Properties currently awaiting works will make a critical contribution to meeting housing needs, for general needs and homeless households, and therefore easing temporary accommodation spend.

1.3 The properties have already been purchased and the council would be unlikely to acquire them or similar for the same value for money, even with the increased costs of works, again in the future.

2. Background (including outcomes of consultation)

2.1 Following the immediate of the property acquisition scheme at the end of 2019/20 and the increase in works costs, the scheme now has a forecast overspend/budget deficit of £828,000 against its approved budget of £2.1m.

2.2 The scheme continued with some purchases in train, despite the immediate withdrawal of onward budget, however the main increase is as a result of increased works costs; un costed work at the time of initial estimate, the increase in the cost of labour and materials over the course of the pandemic and the move from Nottingham City Homes (NCH) to NCH commercial team to undertake the works, where rates are not supported or cushioned as they are when the Arms Length Management Organisation's "in-house" team charge for works within the management agreement.

2.3 The rationale for moving these properties to the commercial team is to relieve pressure on the in-house voids team, who are attending to a backlog of voids and re-lets within the existing stocks as a result of the pandemic. The main goal being to get as a many properties as possible into circulation as soon as possible within viable means. Properties that have been moved from NCH in-house to commercial have had the revised costs assessed for viability against rental income and any in year deficits; all continue to be viable.

2.4 At present, works to these properties – all of which have been assessed as viable against rental incomes and payback period against works costs – is paused and therefore so is the pipeline of homes for households on the waiting list, including homeless households currently accommodated in temporary accommodation/B&B to great expense to the general fund.

2.5 Works Costs:

A total of £822,000 works costs remain outstanding against properties acquired over the past 3 years.

Estimated Works cost 19-20 (outstanding)			£178,193
Estimated Works cost 20-21 (outstanding)			£468,978
Estimated Works cost 21-22 (outstanding)			£174,918
SUB - TOTAL			£822,088
5% increase 2022/23			£41,104
8% contingency			£69,055
Other costs			£6,000
TOTAL			£938,247

Other costs:

The other £6,000 of overspend is attributed to overspend on other associated costs of acquisitions such as stamp duty and additional legal costs.

3. Other options considered in making recommendations

- 3.1 To sell on, some or all, of the properties. This has been discounted for reasons of present value for money that could not be replicated in future, and current pressures on general needs and homelessness accommodation supply.

4. Consideration of Risk

- 4.1 There is a risk of further increases in costs. Increases due to inflation and standard staff cost increases have been accounted for in the 5% uplift in costs and 8% contingency. Where a property is found to require further works that would take it outside of the contingency (which is most unlikely given the comprehensive surveys now conducted)

5. Finance colleague comments (including implications and value for money/VAT)

- 5.1 As detailed in section 2 an amendment to the Public Sector Housing (PSH) Capital Programme of £938,247 will be required following the approval of this decision.
- 5.2 It is deemed that this expenditure is appropriate for the HRA to incur as it is entirely for void Council dwellings. The project manager is required to ensure that all expenditure incurred bringing the dwellings into use is classified as capital expenditure.

- 5.3 The £938,247 will be funded as follows:

Element	Value £
Capital Expenditure	938,247
Capital Funding	
Secured HRA non-RtB Capital Receipts	(375,299)
Major Repairs Reserve	(562,948)
Capital Funding	(938,247)

- 5.4 The Major Repairs Reserve (MRR) will be allocated up to the headroom within the control total approved at Executive Board February 2022 (as part of setting the Capital Budget). The available headroom will be identified following completion of the 2021/22 Capital Outturn.
- 5.5 If the Council has insufficient headroom within the approved MRR control total then an equivalent amount of secured HRA capital receipts will be allocated to the project. To ensure all control totals are maintained within the approved limits.

Tom Straw, Senior Accountant (Capital Programmes) 6th April 2022

6. Legal colleague comments

- 6.1 There is no legal reason why the extension to the budget cannot be approved. The monies to be used are from the HRA capital. Seventy six properties have been acquired but only twenty five have completed but payments for those works are still outstanding. I am satisfied that there is no reason why the additional funds cannot be used for the purposes proposed. Provided there are no financial regulation implications and Finance do not disagree, I see no legal reason to disagree with this course of action.

Jacqueline Heffron, Senior Solicitor, 4th April 2022

7. Other relevant comments

- 7.1 None

8. Crime and Disorder Implications (If Applicable)

- 8.1 Bring vacant properties into use helps prevent crime and Anti Social Behavior such as vandalism, theft of materials etc, as well as reduce any detriment to neighbourhood from poor physical condition.

9. Social value considerations (If Applicable)

- 9.1 n/a

10. Regard to the NHS Constitution (If Applicable)

- 10.1 n/a

11. Equality Impact Assessment (EIA)

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

No

An EIA is not required because this decision concerns properties not people. Subsequent letting of the properties is conducted in accordance with the allocations policy which is subject to its own EIA.

12. Data Protection Impact Assessment (DPIA)

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

No

A DPIA is not required because the proposals do not concern the use, collection or sharing of any personal data.

Carbon Impact Assessment (CIA)

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

No

A CIA is not required because the properties are existing, not new build. They do not comprise a new or additional development or carbon footprint for Nottingham.

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

13.1 None

14. Published documents referred to in this report

14.1 Treasury Management and Capital Strategy Report - Executive Board February 2022

14.2 Medium Term Financial Plan 2022/23 to 2025/26 - Executive Board February 2022

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Subject:	Implementation of Safety Improvements to NCC properties
Corporate Director(s)/Director(s):	Sajeeda Rose, Corporate Director for Growth and City Development
Portfolio Holder(s):	Councillor Toby Neal - Portfolio Holder for Housing, and Human Resources
Report author and contact details:	Mark Lowe, Head of Housing & Regeneration, Growth and City Development
Other colleagues who have provided input:	Steve Edlin, Assistant Director Asset Management, Nottingham City Homes
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 checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 12 April 2022
Total value of the decision:	£896,784 in financial year 2022/2023
Wards affected:	All
Date of consultation with Portfolio Holder(s):	31 January 2022
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input checked="" type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The government consultation on domestic smoke detection and carbon monoxide alarms was concluded and published in November 2021. Following this consultation, new legislation is due to come into force in Autumn 2022. New regulations will be clarified for installing smoke alarms and carbon monoxide alarms in social housing. The Council therefore requires this work to be done and this report proposes allocation of funding for this purpose. The Council's managing agent, Nottingham City Homes (NCH), will be instructed to undertake the programme of installing carbon monoxide alarms in all NCC HRA properties in line with the management and maintenance work they perform on the Councils behalf.</p> <p>This report requests approval to allocate a budget of £896,784 in 2022/23 for NCH to carry out the installation of CO detectors across all of the Housing Revenue Account (HRA) housing stock in any room with a fixed combustion appliance.</p>	

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

No

Recommendation(s):

- 1** To approve the expenditure via the Housing Revenue Account Capital Programme associated with the implementation of the new legislation.
- 2** To authorise Nottingham City Homes (NCH) to act as the City's agent and manage the installation of these alarms on Nottingham City Council's behalf
- 3** To note in relation to the recent Section 114 Notice relating to management controls between Nottingham City Council and Nottingham City Homes, that although this report involves a new allocation of funding within the Housing Revenue Account programme, the proposed expenditure is in relation to existing functions of Nottingham City Homes to carry out the management and maintenance of properties and ensure compliance with statutory requirements for housing standards on behalf of the Council.

1. Reasons for recommendations

- 1.1 NCC is required to be compliant with the new legislation, which will come into force in Autumn 2022.
- 1.2 The funding for the works has already been identified within the HRA budget. As such it is an extension of existing duties and does not involve entering into new agreements between Nottingham City Council and Nottingham City Homes. It is a legitimate and statutory required use of HRA funds and has been approved by the deputy s151 officer.

2. Background (including outcomes of consultation)

- 2.1 Since the Grenfell Tower disaster in 2017 there has been a significantly increased focus on safety within social housing. After a government-sponsored review of building safety, draft legislation and regulation has been introduced by the Government in order to provide greater levels of safety and assurance in higher-risk residential buildings. This includes the Building Safety Bill and Fire Safety Act, which both apply to social housing, plus the Social Housing White Paper, which has as its top priority ensuring that tenants are safe in their homes.
- 2.2 The flow of new regulations has recently included proposals on the compulsory installation of smoke and carbon monoxide alarms in all social homes.
- 2.3 A breakdown of the costs for the alarms are as follows;

NCC properties on gas contract 23,273 @ £34.68 per alarm = £807,106
Material = £18.16
Labour = £16.52
Contingency = £89,678, based on 10%
Total costs = £896,784
- 2.4 Installation will be carried out by NCH during annual safety checks and when new boilers are installed in order to maximise efficient use of officer time.
- 2.5 The government consultation on Domestic smoke and carbon monoxide alarms was concluded and published on the 17/11/21.
<https://www.gov.uk/government/consultations/domestic-smoke-and-carbon-monoxide-alarms#history>

The review considered the evidence base around smoke and carbon monoxide alarms and whether requirements in the rented sectors and the installation requirements in the building regulations are fit for purpose and should be extended to social landlords.

2.6 Based on the outcome from this consultation the government intends to bring forward the following changes:

- social landlords will be obliged to ensure at least one smoke alarm is installed on each floor of their homes
- both social and private landlords will be obliged to ensure a carbon monoxide alarm is installed in any room in their homes with a fixed combustion appliance (excluding gas cookers)
- in any home, when a new fixed combustion appliance (excluding gas cookers) is installed, a carbon monoxide alarm will be required by law to be installed
- landlords will be legally obliged to repair or replace alarms once informed that they are faulty (testing will remain the resident's responsibility)

2.7 In response to the above changes, NCC in conjunction with NCH already fit hardwired smoke alarms on each floor of its homes and have now included a commitment to cover the new CO requirements as part of its current Building Safety Compliance Policy, which was approved by the NCC-NCH Partnership Forum.

2.8 To enable these commitments to be achieved, it is necessary to commence a programme of installing CO detectors where new and existing appliances are fitted as part of the gas servicing programme.

2.9 Future maintenance requirements including any funding required will be agreed as part of the annual NCH management fee setting process.

2.10 On 9 March 2022 Eddie Hughes MP (Parliamentary Under-Secretary for Rough Sleeping and Housing) wrote to all stock-holding local authorities in England to request that they begin fitting new smoke and carbon monoxide alarms as soon as possible. Refer to Appendix 4.

2.11 For avoidance of doubt, this funding allocation only relates to NCC HRA owned properties. NCH group also own homes within NCH Ltd, NCH RP and NCH EL. NCH Group have obligations in relation to these properties which they are aware of and have committed to meet. This will be funded separately by NCH Group and NCH have confirmed that no HRA funds will be utilised to meet the cost of fitting alarms and detectors to these properties.

3. **Other options considered in making recommendations**

3.1 Nottingham City Council would not be complying with a legal requirement if these works were not completed – for this reason, this option was rejected.

4. **Consideration of Risk**

4.1 The purpose of these measures is to decrease risk to tenants. As these are statutory requirements then the Council is required to comply so consideration of

risk around implementation of these measures is not required. The measures will have an impact on the HRA Capital Programme as detailed in the Finance comments but this funding has been allocated to ensure compliance with the requirements.

5. Finance colleague comments

5.1 As detailed in the budget papers approved at Executive Board February 2022 this scheme is not included in the current published Public Sector Housing (PSH) Capital Programme. Therefore, due to the control totals approved in February this scheme is required to be funded without exceeding the control totals as approved for the following eligible funding; Major Repairs Reserve, Capital Receipts.

5.2 Appendix 3 of the February Executive Board report confirms the HRA revenue budget has set aside £0.4m (2021/22) and £0.6m (2022/23) of Direct Revenue Financing (DRF) as funding for capital projects. As yet this revenue budget earmarked for the PSH Capital Programme has not been allocated, therefore this scheme of works is envisaged to be funded from HRA revenue earmarked for capital.

5.3 Therefore, the proposed funding for the 2022/23 capital expenditure to meet legislative requirements will be funded as detailed below:

Table 1 – 2022/23 Capital Funding	
	£m
2022/23 Capital Expenditure	0.897
Capital Funding	
2021/22 DRF (HRA Revenue Earmarked for Capital)	(0.400)
2022/23 DRF (HRA Revenue Earmarked for Capital)	(0.497)
Total Funding (*)	(0.897)

(*) The remaining unallocated DRF from 22/23 is **£0.103m**

The 2021/22 DRF will be carried over in a Capital Reserve for allocation in the 2022/23 Capital Programme. Therefore it will not be allocated in the 2021/22 Capital Programme which is consistent with current 2021/22 capital forecasts as presented at Executive Board February 2022.

5.4 Prior to the 2022/23 project being added to the Capital Programme it is required to be endorsed by the Capital Board as this report is for an addition to the PSH Capital Programme.

Comments provided by Tom Straw (Senior Accountant, Capital Programmes)
7th March 2022

6. Legal colleague comments

6.1 As set out in the main report, the installation of domestic smoke detection and carbon monoxide alarms is required in order to comply with changes to the Smoke and Carbon Monoxide Alarm (England) Regulations 2015 in relation to social rented sector which will come into force later this year.

Comments provided by Sarah O'Bradaigh (Senior Solicitor, Legal Services)
2nd March 2022

7. Strategic Assets & Property colleague comments

- 7.1 The proposals do not raise any concerns from a Strategic Assets & Property perspective. The planned works will ensure NCC stock complies with all safety requirements.

Comments provided by Beverley Gouveia (Development & Disposals Manager)
25th February 2022

8. Procurement comments

- 8.1 There are no significant Procurement concerns with the decision being sought. Nottingham City Homes must ensure that any procurement activity they undertake in support of this scheme (i.e. for the purchase of goods, and services and works not being carried out by NCH in-house resources) are done so in compliance with their Contract Procedure Rules and, where applicable, the Public Contracts Regulations 2015.

Comments provided by Jonathan Whitmarsh (Lead Procurement Officer)
7th March 2022.

9. Building Services comments

- 9.1 This decision raises no significant issues.

Comments provided by Trevor Bone (Property Maintenance Manager, NCH)
25th January 2022

10. Crime and Disorder Implications (If Applicable)

- 10.1 n/a

11. Social value considerations (If Applicable)

- 11.1 n/a

12. Regard to the NHS Constitution (If Applicable)

- 12.1 n/a

13. Equality Impact Assessment (EIA)

- 13.1 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 1, and due regard will be given to any implications identified in it.

14. Data Protection Impact Assessment (DPIA)

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

No

A DPIA is not required because:

This does not involve sharing any personal information.

Yes

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

15. Carbon Impact Assessment (CIA)

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

No

A CIA is not required because:

(Please explain why a DPIA is not necessary)

Yes

Attached as Appendix 2, and due regard will be given to any implications identified in it.

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

16.1 None

17. Published documents referred to in this report

17.1 Medium Term Financial Plan 2022/23 to 2025/26 Executive Board, February 2022

Equality Impact Assessment Form - Appendix 1

1. Document Control

Control Details:

Title:	Domestic smoke and carbon monoxide alarms legislation
Author:	Steve Edlin
Director:	Adrian Cheetham
Department:	Asset Management
Service Area:	Property Services
Contact details:	07949147979 steven.edlin@nottinghamcityhomes.org.uk
Strategic Budget EIA: Y/N (Does this EIA have an impact on the budget)	No
Exempt from publication: Y/N (Exemption criteria is available on the EIA section on the Intranet)	No

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2. Document Amendment Record:

Version	Author	Date	Approved
1	Steve Edlin	28-01-22	

3. Contributors/Reviewers (Anyone who has contributed to this document will need to be named):

Name	Position	Date
Steve Cooper (NCH)	Head of Mechanical and Electrical	28-01-22
Matthew Woods (NCH)	Building Safety Manager	28-01-22
Rebecca Dennis (NCH)	Equality, Diversity and Inclusion Manager	10-02-22
Rosey Donovan (NCC)	Equality and Employability Consultant	18-02-22

4. Glossary of Terms

Term	Description
Domestic smoke and carbon monoxide alarms	<p>Installation of CO detectors in any home, when a new fixed combustion appliance (excluding gas cookers) is installed, a carbon monoxide alarm will be required by law to be installed.</p> <p>Nottingham City Homes (NCH) already fit hardwired smoke alarms on each storey of their homes as part of its current Building Safety Compliance Policy. With regard to CO alarms, a programme of installing these will commence where new and existing appliances are fitted as part of the gas-servicing programme.</p>
EICR (Electrical installation check) programme.	<p>Yearly visual check of the detector via the Gas servicing program and a full maintenance check every 5 years as part of the EICR (Electrical installation check) programme. This electrical installation check that is undertaken every 5 years to every property.</p>

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5. Summary

(Please provide a brief description of proposal / policy / service being assessed)

The government consultation was concluded and published on the 17/11/21, <https://www.gov.uk/government/consultations/domestic-smoke-and-carbon-monoxide-alarms#history>

The review considered the evidence base around smoke and carbon monoxide alarms and whether requirements in the rented sectors and the installation requirements in the building regulations are fit for purpose and should be extended to social landlords.

Based on the outcome from this consultation the government intends to bring forward the following changes as soon as May 22:

- social landlords will be obliged to ensure at least one smoke alarm is installed on each storey of their homes
- both social and private landlords will be obliged to ensure a carbon monoxide alarm is installed in any room in their homes with a fixed combustion appliance (excluding gas cookers)
- in any home, when a new fixed combustion appliance (excluding gas cookers) is installed, a carbon monoxide alarm will be required by law to be installed
- landlords will be legally obliged to repair or replace alarms once informed that they are faulty (testing will remain the resident's responsibility)

In response to the above changes, Nottingham City Homes already fit hardwired smoke alarms on each storey of our homes as part of its current Building Safety Compliance Policy. With regard to CO alarms, they will commence a programme of installing these where new and existing appliances are fitted as part of the gas-servicing programme.

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6. Information used to analyse the effects on equality:

(Please include information about how you have consulted/ have data from the impacted groups)

Existing tenant data will be reviewed to identify any specific customer needs. Letters will be distributed to notify tenants of planned installations requesting they contact NCH should their personal circumstances have changed. There will also be an option to receive these in an alternative format upon request. Where relevant, contact will also be made with the Council's Occupational Therapy service to seek guidance/advice.

Where it is identified a customer may have a disability e.g. deaf or a visual impairment, a home visit will be undertaken to discuss their individual needs prior to installation of the CO detector. Specific adaptations can include a vibrating alarm or a specific strobe type of lighting. Training and demonstrations will be carried out on the completion of the installation.

7. Impacts and Actions:

	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	<input type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy/ Maternity	<input type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people.	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input type="checkbox"/>	<input type="checkbox"/>
Younger	<input type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input type="checkbox"/>	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p>How different groups could be affected (Summary of impacts)</p>	<p>Details of actions to mitigate, remove or justify negative impact or increase positive impact (or why action isn't possible)</p>
<p>Customers that have a hearing disability may not be able to hear the alarm if it is activated.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 227</p>	<p>Positive Impact:</p> <ul style="list-style-type: none"> • New preventive alarms installed • Tenant requirements will be assessed prior to works commencing • Improvement to safety with our tenant's homes • Improved CO alert system for disabled tenants following the installation of strobes and vibration devices in homes where required

--	--

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

Yearly visual check of the detector via the Gas servicing program and a full maintenance check every 5 years as part of the EICR (Electrical installation check) programme.

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9. Outcome(s) of equality impact assessment:

<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

10. Approved by (manager signature) and Date sent to equality team for publishing:

<p>Approving Manager: Steve Edlin</p>	<p>Date sent for advice: 21st Feb 2022 Send document or Link to: Rebecca.dennis@nottinghamcityhomes.org.uk</p>
<p>Approving Manager Signature: S Edlin</p>	<p>Date of final approval: 01/02/22</p>

Before you send your EIA to the Equality, Diversity & Inclusion Manager for scrutiny, have you:

1. Read the guidance and good practice EIA's
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.

PLEASE NOTE: FINAL VERSION MUST BE SENT TO THE EDI MANAGER OTHERWISE RECORDS WILL REMAIN INCOMPLETE.

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Appendix 2

Carbon Impact Assessment for the installation of domestic smoke and carbon monoxide alarms to NCC properties

Scope

The government consultation on Domestic smoke and carbon monoxide alarms was concluded and published on 17/11/21

<https://www.gov.uk/government/consultations/domestic-smoke-and-carbon-monoxide-alarms#history>).

Based on the outcome of this consultation, social landlords will be obliged to ensure at least one smoke alarm is installed each storey of the property. The scope of this Carbon Impact Assessment is for all NCC properties managed by NCH.

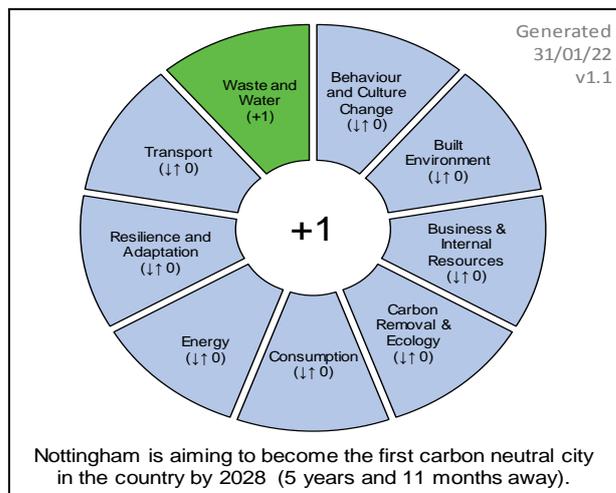
Proposed Scheme

It is proposed to commence a programme of installing CO detectors where new and existing appliances are fitted as part of the gas-servicing programme.

Carbon Impact Assessment Dashboard

The Carbon Impact Assessment Dashboard (CIAD) has been utilised to produce infographic below. This gives a modified RAG rating showing the estimated impact of a decision, which influence climate change.

The scoring applied takes account of the following:-



Key Costs and Benefits

- Waste and water

The product has a 10-year life span and all parts are fully recyclable.

Signed

Steve Edlin

Assistant Director of Asset Management, Nottingham City Homes
21st February 2022

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Annex 4

Housing Revenue Account

Contents	
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Appendix Number and Title	
A	Service Charges Changes 2022/23

Annex 4 - Housing Revenue Account (HRA)

1 Introduction

1.1 This Annex sets out the detail for both the revenue and capital elements of the HRA.

The HRA is the Council's landlord account, which provides for the management and maintenance of the Council's housing stock. The HRA itself is a client function and always remains under the Council's control, although the management and maintenance of housing stock can be delegated to a managing agent (in the case of NCC, to Nottingham City Homes)

1.2 Legislation requires this account to be ring-fenced within the Council's General Fund and all transactions are similarly ring-fenced. The budget has been set under the HRA self-financing system whereby the HRA is self-sustained from rental income, service charges and certain commercial income from properties held within the HRA.

1.3 The HRA stock at 1 April 2021 was **25,284** (excluding decommissioned properties). The estimated change in stock during 2021/22 is a net reduction of **155** properties resulting from additional stock (**45**) and Right to Buy (RTB) sales (**200**).

1.4 The Council must legally set an HRA budget which is balanced. A working balance is also maintained to deal with emerging pressures and risks. Any year-end balance on the HRA, either positive or negative, has to be carried forward to the following year. This means, for example, that the 2021/22 outturn will impact on the 2022/23 budget through the balance carried forward.

1.5 Nottingham City Homes (NCH) is the appointed managing agent for NCC, responsible for the management and repairs of the housing stock under a refreshed Partnership Agreement with the Council signed in September 2020. Budget managed by NCH are on behalf of NCC. Strategies and policies relating to the HRA are set by NCC. The fees paid by the Council to NCH in relation to HRA properties are a charge on the HRA.

1.6 NCH is able to undertake other work for the Council (e.g. relating to homelessness), but this a charge on the General Fund and costs must not be charged to the HRA. NCH must maintain strict segregation of HRA and non-HRA activities.

1.7 The HRA is under considerable service and financial pressures as a result of national and local policy changes. The following are the key issues affecting the HRA budget in 2022/23:

- Rent and service charges increase of CPI + **1.0%**
- Stock movement reduction resulting from RTB and increase through new build
- Impact of Covid-19 on housing management costs and rental income
- Continued roll out of Universal Credit
- Use of RTB Replacement (1-4-1) Receipts and impact on borrowing levels
- The requirement to adhere to the requirements of the Council's Voluntary Debt Reduction Policy including reduced borrowing debt levels

- Impact of new regulatory requirement including the Fire Safety Act 2021, Building Safety Bill, the Social Housing White Paper and energy efficiency requirements
- Construction industry inflation increases impacting on the costs of repairs and the capital programme
- The recommendations set out in the recently issued S114 notice by the Council's statutory S151 officer were considered at Full Council on 4th January 2022. The recommendations of the Section 151 Officer and the Chartered Institute of Public Finance Accountancy (CIPFA) were set out in the report and accepted in full. These are now being implemented. One immediate ongoing impact is a reduction in the fee payable to NCH of £2.1m per annum, which is of immediate benefit to the HRA
- Phase 2 of this review is currently underway and further changes may be required as a result of this.

- 1.8 Since April 2020 the Council has been able to increase rents by up to CPI + 1.0% in accordance with the relevant Government rules regarding rent setting (Direction of the Rent Standard 2019). This report recommends an increase of the maximum allowed based on the CPI of 3.1% giving a total increase of 4.1%. The budget also takes into account the net reduction in stock.
- 1.9 Based on the experience of other Councils, Universal Credit is likely to result in a significant increase in arrears, however the impact is difficult to model at this time due to the impact of Covid-19. The HRA Working Balance is considered adequate by the Council's Section 151 Officer to cover the likely effect of Universal Credit and other risks.
- 1.10 The Coronavirus pandemic has led to increased management costs by NCH in relation to cleaning and PPE, which were included in the Management Fee in 2021/22 and funded from the Working Balance. The impact of the pandemic is also felt on the rental income of the HRA, through increased rent arrears and void periods, resulting in decreased income, and this risk is managed through the Bad Debt Provision and the Working Balance. The negative financial impacts of the pandemic on NCH are expected to reduce in the future.
- 1.11 In November 2020 the government published its Social Housing White Paper which focuses on the key themes of safe homes, good quality homes and neighbourhoods, greater redress for tenants and publication of sector-wide performance information. This will result in increased regulatory responsibilities and involve a revised Decent Homes Standard, both of which could also have cost implications.
- 1.12 The HRA will need to contribute both to the Government's aim of achieving net zero carbon emissions by 2050, and NCC's aim of being carbon neutral by 2028, both in new build and the retrofit of the current stock by directing appropriate funding to energy efficiency improvements needed to reduce fuel poverty and future proof in terms of regulatory requirements.
- 1.13 The proposed rent increase provides additional income to fund the impact of inflation on costs. However, some sectors are experiencing above average increases, in particular the construction industry rates on both labour and materials will result in cost increases for repairs (revenue costs) and the Public Sector Housing Capital Programme (PSHCP). This is reflected by an increase of above inflation allowed for the Repairs Fee paid to NCH and using latest tendered costs in the PSHCP.

1.14 The financial impact of these changes, where it can be quantified, has been included in proposed budget for 2022/23 and incorporated into the Medium Term Financial Plan (2023/24 to 2025/26).

1.15 The changes affecting the HRA also need to be reflected in the HRA 30 Year Business Plan, which is currently being refreshed, to assess the impact on the continued sustainability and the long term financial plan of the housing service. This work is ongoing but will build upon the work already undertaken in producing a medium term financial plan. This work has been supported by the increase in future rental income by the implementation of the national rent policy, a focus on maximising collection of rents from tenants, reviewing the level of borrowing, re-phasing and reviewing existing capital commitments and maintaining adequate reserves.

1.16 The key headlines in the HRA budget for 2022/23 are as follows:

HRA Revenue

- For the purposes of rent setting, CPI is 3.1%
- An increase in rents of CPI + 1% (**total 4.1%**) for 2022/23
- Funding for a revised Responsible Tenant Reward Scheme of up to **£0.5m** per annum
- A proposed increase of **£2.4m** in the contribution to the Major Repairs Reserve to ensure sufficient funding to meet the costs set out in the stock condition survey
- A general increase in service charges of CPI + 1% (equivalent to 4.1%) noting that as a result of a fundamental review, some charges will remain static or removed. Some charges will also increase at above inflation. The aim remains full cost recovery of all service charges.
- A proposed increase in garage rents of CPI **3.1%**
- An estimated working balance of **£9.3m** to provide for the effects of Covid-19, Universal Credit and early years' deficits of new build

HRA Capital

- The Council is responsible for setting investment priorities as part of its strategic housing role. NCH is the council's delivery arm to achieve this.
- An overall Public Sector Housing Capital Programme of **£230.9m** for the next 5 years of which **£71.0m** relates to 2022/23.
- A provision of **£3.0m** to fund works identified in relation to the Building Safety Bill and Fire Safety Act 2021 has been reallocated from Planned Schemes to the Approved Building Safety Project to enable the specific works be carried out from 2022/23 to 2024/25 as required.
- A new budget of **£0.2m** p.a. in Secure, Warm, Modern to provide for the upkeep of non-dwelling assets.
- An increase to the Lift Replacement Programme of **£0.1m**

- A budget of **£29.9m** is added in 2026/27 for continued maintenance of the housing stock. The budgets are based on stock conditions surveys of the stock, asset management data or allocated amounts for certain budgets (eg major voids works).
- **£20.4m** for 2022/23 has been specifically allocated to regeneration and new build (Building a Better Nottingham)
- **£15.2m** for 2022/23 has been specifically allocated to energy efficiency improvements to reduce carbon emissions

2 HRA Forecast Outturn 2021/22

2.1 **Table 1** summarises the HRA budget and forecast outturn for 2021/22.

The key variances for 2021/22 from the budget are as follows:

- Working Balance brought forward from 2020/21 – increased by **£1.6m** from budget
- Income – favourable variance of **£0.3m** due to additional rent
- Expenditure – adverse variance of **£0.6m** due to increased contribution to Major Repairs Reserve by on stock condition survey data; favourable variance due to savings on Retained budgets (**£0.3m**).

Table 1: HRA Forecast Outturn 2021/22 (at Quarter 3)			
Description	Original Budget £m	Estimated Outturn £m	Variance £m
Income			
Rent income	(95.306)	(95.642)	0.336
Service charges & other income	(11.610)	(11.610)	-
Total Income	(106.916)	(107.252)	0.336
Expenditure			
Repairs	26.739	26.739	-
Management (includes Retained)	34.162	33.876	0.286
Capital charges	45.856	46.412	(0.556)
Direct Revenue Financing	0.400	0.400	-
Total Expenditure	107.157	107.427	(0.270)
Deficit / (Surplus)	0.241	0.175	0.066
HRA Working balance B/F	7.870	9.448	1.578
HRA Working Balance C/F	7.629	9.273	1.645

3 HRA Budget 2022/23

3.1 The budget for 2022/23 has been refreshed to take account of the permitted increase in rents, increases in service charges, inflation, cost pressures, capital financing costs and changes to assumptions. The budget also reflects changes resulting from the Section 114

Notice in December 2021. **Table 2** below shows the summary of the 2022/23 budget and the movement from 2021/22 original budget.

NOTE	Description	2021/22 Original Budget £m	2022/23 Budget £m	Movement £m
	Income			
3.2	Rent income	(95.306)	(98.879)	3.573
3.3	Service charges & other income	(11.610)	(12.274)	0.664
	Total Income	(106.916)	(111.153)	4.237
	Expenditure			
3.4	Repairs	26.739	27.873	(1.134)
3.5	Management	34.162	32.701	1.461
3.6	Capital Charges	45.856	48.636	(2.780)
3.7	Direct Revenue Financing	0.400	0.600	(0.200)
3.8	Reserves/Contingency	0.000	1.343	(1.343)
	Total Expenditure	107.157	111.153	(3.996)
	Deficit / (Surplus)	0.241	0.000	0.241
	HRA Working balance B/F	9.448	9.272	(0.175)
3.9	HRA Working Balance C/F	9.207	9.272	0.066

These figures include where known the impact of transactions arising from the Section 114 report issued by the Council's Section 151 officer on 15th December 2021. Further work is currently underway to validate and confirm the balance to be transferred back from the Council's General Fund. The outcome of the work will be set out in a future report that will need to be considered by Executive Board and will also be subject to a direction from the Department of Levelling Up, Housing and Communities (DLUHC).

3.2 Rent Income – increase £3.6m

Rent policy – The Government issued a Direction to the Social Housing Regulator that from April 2020 Local Housing Authorities will fall under its Rent Standard. This replaces the previous regime where the government exercised control of rents using the Limit Rent.

The Government has announced that rents can be increased by up to CPI + 1% annually from 2020/2021 for five years.

Applying the proposed rent increase and taking account of the estimated reduction in stock will increase rental income by **£3.6m** per annum. The reduction of council housing stock is due to council housing sales (mainly from Right to Buy) and off-set by addition of new build properties into stock. RTB numbers are assumed to be **250** p.a.; if actual numbers are higher than estimated the rental income achieved will be reduced. Stock numbers are monitored proactively to identify if rental levels are adversely affected and to ensure the HRA stays in balance.

For comparison only, the estimated limit rent for 2022/23 based on an increase of CPI + 1% would be **£80.40** per week (over 52 weeks). The proposed average rent for social rent of **£78.40** gives headroom of **£2.00** per week (24,471 properties; 97% of stock). The Council also charges Affordable Rents on some newly built / acquired properties, where the rent is 80% of market rent. There is an average affordable rent of **£110.43** per week (737 properties; 3% of stock). These rents exclude service charges.

Description	£m
Rent income – 4.1% increase	(3.601)
Rent income - updated stock assumptions since 2021/22 budget	0.028
Rent income (net)	(3.573)

Bad debt provision

Universal Credit (UC) was rolled out in Nottingham in October 2018 for all new claimants or those with a change in circumstance. UC is not automatically paid to the landlord and also paid in arrears which leads to increased levels of rent arrears. Evidence from the roll out so far has shown average tenants arrears are up to 50% greater for tenants on UC compared to the overall average arrears. Over 30% of tenants are now in receipt of UC and this will continue to grow and impact on the 2022/23 budget and beyond. The contribution to the Bad Debt Provision was increased to **£2.2m** in 2020/21 and the level of contribution will be kept at this higher level to reflect the increased risk of write offs occurring. The level of provision will be kept under review to ensure it is sufficient.

3.3 Service charges & other income – increase £0.7m

Service charges must reflect the costs incurred in delivering the service and guidance recommends an increase no greater than CPI + 1% (but this is not a statutory requirement as with rents).

In late 2021 an independent review of service charges was undertaken and the service charges proposed to be levied in 2022/23 include the impact of recommendations from the review.

In implementing the recommendations charges to tenants will better reflect the current costs of delivering them. In line with the recommendations, it is envisaged that full cost recovery will be achieved within the 4 year period of the MTFP. An incremental approach towards achieving this is reflected in the service charge modelling for future years. Charges which include energy costs are proposed to increase to cover the predicted increase in energy prices. **Appendix A** gives details of the changes in service charges.

Garage rents not included as part of the rent of a dwelling will be increased by **3.1%** (CPI September 2021).

3.4 Repairs – increase £1.1m

Housing repairs are managed by NCH on behalf of NCC in accordance with NCC policies. It is proposed that the housing repairs budget be increased to **£27.9m** as shown in **Table 4**. The increase is a consequence of applying reduction in the stock, inflation and the cost of maintenance of new fire safety equipment in high-rise blocks (e.g. sprinklers).

Table 4: Repairs Fee 2022/23	
Description	£m
Repairs Fee 2021/22	26.739
Reduction due to stock movement	(0.063)
Inflation at 4.1%	1.094
Pressure: fire safety equipment maintenance	0.103
Total Repairs Fee for 2022/23	27.873

3.5 Management – decrease £1.5m

The housing management function is managed by NCH on behalf of NCC in accordance with NCC policies to a budget set by NCC. Management costs include services covered by the Management Fee paid to NCH, charges made to the HRA by the General Fund in relation to public realm/CCTV, the Tenant Reward Scheme and budgets within the Council for retained teams and other costs, these are summarised in **Table 5a** and further details given below.

Some changes have been made to Management costs to reflect the following:

- Adjustments to the NCH Management Fee (including those directly relating to the S114 notice) that result in a reduction of **£1.3m**
- Proposal to grow and strengthen the retained client function within the Council and to ensure that an appropriate level of resource is maintained including strategic oversight, performance management and finance (**£0.400m**)
- A proposal to create an Income Maximisation Officer post to ensure that income from solar panels and other sources is maximised (**£0.040m**)
- One-off investment (**£0.607m**) to bring empty properties back into use. This funding will be paid to NCH upon delivery of the works.
- An increase in furnished tenancy costs (**£0.142m**)
- A reduced tenant reward scheme capped at **£0.5m**

Table 5a: Management costs 2022/23			
Description	2021/22 £m	2022/23 £m	Movement £m
NCH Management Fee	22.852	21.553	(1.299)
Retained Housing services	4.731	5.939	1.208
General Fund charges – Public Realm & CCTV	4.580	4.709	0.130
Tenant Reward Scheme	2.000	0.500	(1.500)
Total Management Fee for 2022/23	34.162	32.701	(1.461)

NCH Management Fee – decrease £1.3m

It is proposed that the Management Fee paid to NCH will decrease by **£1.3m** to **£21.6m**, as shown in Table 5b. This comprises of reduction due to the declining volume of stock (**£0.3m**), increase for inflation (**£1.1m**), removal of budgets no longer required by NCH (and to reflect the findings of the CIPFA review) (**-£2.9m**), increase for permanent cost pressures (**+£0.7m**) and temporary cost pressures in 2022/23 only (**+£0.2m**). It should be noted that the inflationary uplift reflects a 30% uplift for energy costs.

Table 5b: Management Fee 2022/23		
Description	£m	£m
Management Fee 2021/22		22.852
Reduction due to stock movement		(0.294)
Management Fee – base for 2022/23		22.558
Inflation		
• Pay 2021/22	0.379	
• Pay 2022/23	0.434	
• Utilities / energy	0.264	1.077
Removal of budgets not needed by NCH		
• Rebate	(2.550)	
• Accommodation	(0.244)	(2.794)
Pressures – permanent		
• Employer National Insurance Increase	0.423	
• Disrepair & Damp Manager	0.043	
• Internal Audit	0.056	
• Fire Safety Inspections	0.040	0.562
Ongoing budget		21.403
Pressures – temporary		
• Disrepair cases and legal costs		0.150
Total Management Fee for 2022/23		21.553

Retained Housing – increase £1.2m

HRA budgets which are managed by the Council are set in line with General Fund assumptions, i.e. pay award (3.75%), with non-pay costs contained within existing resources. One-off investment (**£0.607m**) to bring empty properties back into use has also been included. This funding will be paid to NCH upon delivery of the works.

HRA Landlord & Client Function – in light of the recent review into the use of HRA resources NCC's Chief Executive and Corporate Director for Growth and City Development have recommended enhancing the Council's capacity as landlord and client role to NCH. A budget of **£0.400m** has been added to Retained Housing for 2022/23, whilst the details of the team's remit and structure are developed. The creation of the new team will be subject to a separate report and approval.

Furnished tenancies – in 2017 the Council introduced the option of furnished tenancies, with a budget approved via a Delegated Decision (D2847) for the purchase of furniture. Tenants pay a service charge, which is used to recover the cost of the furniture, loss, damage and early termination of tenancies. This income is included in the budget for service

charge income. The estimated cost of furniture purchase has been budgeted to increase from £0.384m to £0.525m based on current trends.

The budget in 2021/22 was subject to the provision of an updated business case from NCH to confirm the furnished tenancy scheme is both viable for the Council and complies with rules around service charges. Assumptions have been updated and are subject to submission of a business case and further approval.

General Fund Charges – Public Realm & CCTV - increase £0.1m

It is proposed that these recharges for services provided by the Council are increased from £4.6m to £4.7m to fund inflation.

Responsible Tenant Reward scheme £0.5m

The scheme rewards tenants who pay rent on time, behave responsibly and show respect to their neighbours and NCH staff. The cost of the scheme in 2021/22 was **£1.9m** with successful tenants receiving **£100** each. Due to the design of the scheme it has frequently been overspent. Following a value for money review it is proposed that a new scheme be developed that continues to reward and recognises good tenant behaviour but within a revised capped budget of **£0.5m**. This approach ensures that the budget is controllable and reduces the risk of overspend. It is envisaged that the funding available for the scheme will reduce over time and this will be subject to future reviews. Until these reviews have been completed, no further budget changes have been assumed.

3.6 Capital charges – increase of £2.8m

The introduction of self-financing of the HRA requires the HRA to generate sufficient resources to finance the capital investment to maintain the existing housing stock and tenant priorities.

Table 6: Capital Financing Costs			
Description	Original Budget 2021/22 £m	Budget 2022/23 £m	Movement £m
Contribution to Major Repairs Reserve (depreciation)	29.554	31.968	2.414
Debt charges	16.302	16.668	0.366
Total	45.856	48.636	2.780

Contribution to Major Repairs Reserve (MRR) The sum that accumulates in the Major Repairs Reserve is based on the depreciation charge and is only available for investment in major repairs of the stock and cannot be used to support the overall rent level. The value of the contribution to the provision in 2022/23 budget is **£32.0m**. Based on stock condition

data a further **£0.9m** will need to be added to this budget in 2023/24 to ensure that an appropriate level of funding is available to meet the anticipated future costs.

Debt charges

The HRA continues to benefit from historically low interest rates, with the estimated average rate to be applied in 2022/23 being **4.35%**, although interest rates are now on the rise. The increase in debt charges is due to the Prudential Borrowing taken out to fund new build and property acquisitions in the Building a Better Nottingham division of the Public Sector Housing Capital Programme. The budget of **£16.7m** includes the estimated interest and principal repayments, assuming schemes progress as planned. Over the life of the MTFP the long term average interest rates of between **3.5%** and **4.5%** are expected to be valid for the HRA 30 Year Business Plan.

The HRA, like the General Fund is subject to the Council's voluntary policy to freeze debt levels and has to rely on internally generated funds and capital receipts to fund spending.

3.7 Direct Revenue Financing – increase of £0.2m

Due to the need to fund certain schemes in the capital programme direct revenue financing is included at **£0.6m** in 2022/23. Together with the contributions to the MRR, this increases the resources available in the HRA to finance capital investment.

3.8 Reserves/Contingency – increase of £1.4m

The HRA is the primary source of funding for delivering capital works to the Council's housing stock (e.g. windows, doors, roofs) via the annual contribution to the Major Repairs Reserve. The contributions to the Reserve are calculated based on stock condition surveys which cover the cost of replacing existing elements on a like for like basis and not for improvements/meeting new standards.

There will be increased costs from complying with new legislation including the Fire Safety Act 2021, Building Safety Bill and the Social Housing White Paper (e.g. revised Decent Homes Standard).

The largest challenge facing the HRA is the need to improve the energy efficiency of homes (over 5,000 homes that are un-insulated) whilst contributing to carbon neutral requirements (e.g. replacement of c 19,000 gas boilers). Whilst neither of these are yet subject to regulatory requirements, legislation is anticipated. The cost of the required investment is thought to be in the region of £500m in the next ten years if all properties are brought up to the energy efficiency standard EPC C and are converted to heating that is carbon neutral. Whilst some of this cost may already be funded from the Major Repairs Reserve there will be costs over and above the reserve.

A review of the HRA budget was commissioned by the Council and the work is still underway following the issue of a Section 114 notice. The recommendations from the initial findings have been reflected in adjustments to the NCH management fee. Until Phase 2 of the work has concluded, there is a risk that other issues may be identified which could have an impact on the ongoing budget. Furthermore, NCC's General Fund cannot make payment back to the HRA until a direction is received from DLUHC.

The reserves/contingency budget reflects the significant capital costs that are anticipated in future years and also helps to manage the significant risks inherent within the HRA budget.

3.9 HRA Working Balance

Under HRA self-financing the Council has taken on new risks arising from the HRA being dependent upon rental income to sustain future investment in the housing stock. The working balance acts as a contingency to cover unexpected significant expenditure or unplanned major additional expenditure.

The Working Balance has been built up to manage the additional risks of Universal Credit, early year deficits resulting from the new build programme and the impact of the Covid-19 pandemic. The Working Balance is estimated to be **£9.3m** at 31/3/2022 and it will be maintained at least this value at 31/3/2023.

4 HRA Medium Term Financial Plan (MTFP) 2022/23 to 2025/26

4.1 The HRA MTFP 4 year projections have been updated to reflect the above changes. **Table 7** shows the HRA MTFP for 2022/23 to 2025/26. The future years' projections are based on information currently available but subject to ongoing review. The projections incorporate the following assumptions:

- Net rental income has been assumed to increase within the parameters set by the new rent regime (CPI **2.0%** + **1.0%** p.a. for 2023 and CPI **1.0%** + **1.0%** p.a. from 2024 to 2025). Net rental income reflect the net stock changes resulting from sales and new build
- General inflation is only allowed for where appropriate. Inflation at **2.0%** has been assumed for the Management Fee and Repairs budgets for 2023/24 onwards; the fees have been adjusted for projected stock movements
- Financing costs take account of the existing and projected borrowing required
- The contribution to the Major Repairs Reserve charges are based on asset life spans and replacement costs data provided by NCH
- A continuation of funding for the Responsible Tenants Reward Scheme at **£0.5m** pending further reviews to reduce the cost in future years.
- Working balance remains at least **£9.3m** as a safeguard during the rollout of Universal Credit, the impact of Covid-19, and to fund the early years deficits resulting from investment in new council housing
- The one -off budget for empty properties (**0.607m**) be transferred from the retained budget from 2023/24 and added to the reserves/contingency budget. The level of reserves/contingency required in future years will be subject to annual updates.

Table 7: HRA – Medium Term Financial Plan (MTFP)				
Description	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m
Rental Income	(101.092)	(102.651)	(104.045)	(105.543)
Provision for Bad Debts	2.213	2.213	2.213	2.213
Service charges	(9.552)	(9.745)	(9.943)	(10.144)
Other rents (inc garage)	(2.469)	(2.469)	(2.469)	(2.469)
Other income including interest	(0.253)	(0.253)	(0.253)	(0.253)
Total Income	(111.153)	(112.905)	(114.496)	(116.195)
Repairs to Dwellings	27.873	28.256	28.706	29.016
NCH Management Fee	21.553	22.131	22.484	22.727
Tenant Reward Scheme	0.500	0.500	0.500	0.500
Public Realm	3.208	3.252	3.304	3.340
CCTV	1.501	1.522	1.546	1.563
Retained Housing	5.939	5.357	5.382	5.408
Depreciation (to Major Repairs)	31.968	33.000	34.000	35.000
Debt Charges	18.668	16.564	16.035	15.889
Direct Revenue Financing	0.600	0.600	0.600	0.600
Reserves / Contingency	1.343	1.723	1.939	2.153
Total Expenditure	111.153	112.905	114.496	116.195
Deficit / (Surplus)	0.000	0.000	0.000	0.000
Add Working Balance B/F	9.273	9.273	9.273	9.273
WORKING BALANCE C/F	10.615	9.273	9.273	9.273

5 Public Sector Housing Capital Programme

- 5.1 HRA capital expenditure is financed from a variety of resources generated from Major Repairs Reserve or other revenue, grants, capital receipts or prudential borrowing. All borrowing must comply with the Prudential Code, the Council's Capital Strategy and the Voluntary Debt Reduction Policy.
- 5.2 The impact of an annual 1% reduction to rents from 2016 until 2019, resulted in a revised Asset Management Plan (AMP) to ensure that the HRA 30 Year Business Plan continued to be sustainable. The HRA 30 Year Business Plan needs to be refreshed in the coming months to take into account new legislation on building safety and energy efficiency and ensure it remains viable whilst meeting the Council's statutory obligations and aspirations to provide new homes. As more information becomes available on these requirements, the business plan will need to be updated on an ongoing basis to ensure affordability.

5.3 The Programme

The Public Sector Housing Capital Programme sets out the five year investment in the housing stock. Management of the stock was transferred to NCH under a management agreement but the Council retains ownership. The allocation of these funds to individual schemes is agreed between the Council and NCH. **Table 7** shows the level of investment to 2026/27 against the existing capital programme approved to 2025/26.

Programme Movement	2021/22 £m	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Existing programme	52.855	78.839	52.217	34.497	29.512	0.000	247.920
New/amended schemes	(8.805)	(7.836)	2.047	10.145	1.586	29.882	27.019
Total Programme	44.050	71.003	54.264	44.642	31.099	29.882	274.940
Funding							
Prudential Borrowing	(8.003)	(12.115)	(7.404)	(6.923)	0.000	0.000	(34.445)
Grants & Contributions	(2.726)	(8.158)	(0.191)	(0.150)	0.000	0.000	(11.225)
Major Repairs Reserve	(27.816)	(40.885)	(37.563)	(33.061)	(31.064)	(29.847)	(200.236)
Revenue Resources	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Capital Receipts – HRA	(0.294)	(1.670)	(2.503)	(0.703)	(0.035)	(0.035)	(5.240)
RTB (1-4-1) replacement capital receipts	(5.211)	(8.175)	(6.603)	(3.805)	0.000	0.000	(23.794)
Total Funding	(44.050)	(71.003)	(54.264)	(44.642)	(31.099)	(29.882)	(274.940)

5.4 The detailed programme is shown in **Annex 3 – Capital Programme (Appendix D)** and is based on existing approved commitments, new projects and amendments to existing schemes. **Annex 3 – Capital Programme (Appendix D)** sets out those new/amended schemes recommended for inclusion within the programme. Some schemes/programmes are delegated to NCH to award contracts up to the approved value of the scheme/programme.

5.5 Schemes within the programme that are not delegated to NCH, including Building a Better Nottingham, energy efficiency improvements and other improvements (included those listed under Planned Schemes), will require further approval within the Council at the appropriate level for their value. Each scheme will require development of a business case to demonstrate outputs, impacts on revenue costs and affordability.

5.6 The Public Sector Housing Capital Programme supports the housing objectives within the Strategic Council Plan 2021-23 and the emerging themes in the city's housing strategy 2022-2025, which is currently being developed.

5.7 The programme takes account of the NCH AMP (refreshed to 2026/27), known commitments from schemes in progress, health and safety issues (including the Fire Safety Act 2021 and the Building Safety Bill) and other service investment needs. The AMP has been reviewed and works have been profiled to match resource availability. For a summary of resources identified to support the programme see **Table 7** above.

5.8 The summary HRA capital programme for 2022/23 is shown in **Table 8**.

Table 9: 2022/23 Summary Capital Programme	
Description	£m
Maintaining the Nottingham Decent Homes Standard	23.058
Additional tenant priorities:	
- City wide energy efficiency	15.193
- Additional improvements	9.480
Building a Better Nottingham	20.434
Planned (not approved)	2.835
Total	71.003

5.9 Amendments to the Programme

Additions are shown in **Annex 3 – Capital Programme (Appendix A)**; these are mainly including one further year i.e. 2026/27 based on the Asset Management Plan. Specific changes needing approval are listed below.

Additional net budget of **£29.9m** has been added to the programme which includes budgets for 2026/27 for continued maintenance of the housing stock. The budgets are based on stock conditions surveys of the stock and asset management data or where part of the Asset Management Plan's annual managed budget (e.g. roofs and chimneys, major voids works). The 2026/27 budget consists of: Safe (**£1.1m**), Secure, Warm, Modern (**£20.0m**), Decent Neighbourhoods (**£4.1m**), Existing Stock Investment (**£2.6m**) and Adaptations (**£2.1m**), Sanctuary project (**£0.04m**).

5.10 In addition to this, there are some changes required to increase other years of the programme that reflect new information or revised demand, which are detailed below:

- A new Building Safety Compliance Policy was agreed in 2019 between NCH & NCC, to ensure all of the Council homes meet all current standards. The policy is reviewed on an ongoing basis to ensure compliance with new or changing regulation. Ongoing surveys will inform how the upcoming changes resulting from the Social Housing white paper, the Building Safety Bill and the Fire Safety Act 2021 will affect the Council's homes, especially the high-rise. It is recommended that a budget of **£1.0m** p.a. is moved from Planned to Approved schemes in years 2022/23, 2023/24 and 2024/25 of the PSHCP for building safety works identified by the ongoing surveys. This is to enable urgent works to be completed without any delay that could put our residents at risk.
- A recommended increase to the lift replacement programme budget of **£0.1m** due works required that had not been included when the budget was originally set.
- A recommended additional budget for non-dwelling assets of **£1.0m (£0.2m p.a.)** to provide for works to HRA land and buildings including shops, retaining walls / structures etc. This will supplement the existing annual revenue budget of £0.1m used to pay for minor repairs to HRA land. The use and adequacy of the budget will be kept under review by NCC and NCH officers.
- Three new planned schemes have been proposed by NCH: Solar PV panel bird protection, creation of scooter stores, and provision of CCTV at a sheltered living

scheme. These schemes have been included in the PSHCP as Planned Schemes. Each of proposals will require NCH to submit a business case, including project objectives, accurate costs and details of funding for review and Council approval to proceed.

5.11 Maintaining the Nottingham Decent Homes Standard

Nottingham City Council, through its delivery agent NCH, has achieved the Decent Homes standard in the council's housing stock. The Council is committed to maintaining decency and have developed a programme which invests **£110.0m** over 5 years to deliver the Nottingham Standard for decent homes.

5.12 Energy Efficiency and Tackling Fuel Poverty

Over the 5 years of the programme **£20.4m**, is being invested in energy efficiency measures to reduce energy costs and improve living standards for tenants. New and on-going schemes, confirmed to date will benefit around **293** council homes through the roll out of the innovative deep retro-fit solutions including "Energiesprong" to around **134** hard to treat homes (ie those where conventional external wall insulation is unsuitable) and Destination Zero (i.e. achieving zero net carbon emissions) to **164** homes. These investments will be supported by grants from ERDF (DREeM), BEIS (Whole House Retrofit and the Social Housing Decarbonisation Fund Demonstrator wave). The current cost of the deep retrofit solutions are only affordable with Government subsidy and the roll out of such solutions to the remainder of the stock will be dependent on continued grant subsidy or equivalent cost decreases. All investment decisions require a full business case including cash flow forecast to demonstrate that they are affordable in the context of the 30 year business plan and the Major Repairs Reserve is maintained at an adequate level.

5.13 Building a Better Nottingham

The HRA's Public Sector Housing Capital Programme includes **£48.5m** for additional council housing, which supports the aim of the renewed Strategic Council Plan 2021-23 of increasing the number of social, affordable homes and homes for the homeless.

The overall programme needs to be affordable and sustainable, with the early year deficits from schemes being funded from schemes with better financial profiles and through the Working Balance.

5.14 The new build programme is partially funded by use of Replacement ("1-4-1") Right to Buy capital receipts (see para 5.22 and Table 10) with the balance financed from prudential borrowing. Due to the Council's Voluntary Debt Reduction Policy, additional new build schemes can only be approved if the borrowing requirement is not increased. This could be achieved by new resources such as identifying additional capital receipts to pay down debt.

5.15 HRA Capital Receipts

As part of the self-financing introduced in 2012, Councils were able to borrow under the Prudential Borrowing rules for investment in their housing stock. Whilst for the General Fund, any such debt must have a compulsory set aside to towards the repayment of principal, within the HRA it is voluntary.

- 5.16 It is Council policy that RTB receipts available will be retained to voluntarily set aside against HRA debt. This keeps the level of capital charges below **12.5%** of the HRA turnover to ensure sustainability.
- 5.17 Due to the increase in new build housing and acquisitions to contribute to the Council Plan, the ratio is projected to increase. This results from the delay between borrowing taken out and rental income being generated. As schemes are delivered the ratios should reduce, provided they are delivered in budget. Due to the scale of the programme this ratio will be monitored to ensure these higher levels of debt remain viable.
- 5.18 Any other capital receipts, i.e. from disposals other than RTB, may be used to finance capital expenditure in accordance with capital finance and accounting regulations. Previously approved Council policy on the allocation of capital receipts will require these sums to be used for the Public Sector Housing Capital Programme.
- 5.19 From 1 April 2012, DLUHC introduced changes to the treatment of capital receipts arising from RTB sales as part of a 'reinvigoration' of the scheme.

Where RTB sales exceed the sales predicted prior to the government's reinvigoration of RTB, the Council may keep an additional proportion of the receipt (known as the "1-4-1" receipt) to spend on replacement homes for those sold under the RTB. Funding must be spent on creating additional social housing (either new build or purchase of properties) and the Council must contribute at least 60% of the cost and spend within 5 years of receipt (new relaxed rules from April 2021). These "1-4-1" receipts will be used to support the new build programme within the HRA.

- 5.20 The amount required to fund approved schemes in the capital programme is **£23.8m** of 1-4-1 receipts. The Council currently has **£17.7m** of 1-4-1 receipts available to spend, and a requirement to secure a further **£6.1m**. The level of RTB sales is difficult to predict, but based on historic levels it is possible that this level will be reached. The projected receipts will need to be monitored and alternative funding put in place if they are not realised. Receipts unspent within five years must be returned with interest to DLUHC for re-allocation, so it is important for the Council to monitor receipts and plan for their use.

5.21 HRA Prudential Borrowing

The Council borrows to fund additional social housing stock either through new build or acquisitions. Until October 2018 the amount of borrowing was limited to the HRA debt cap, which was a specific maximum amount of borrowing that a Council was permitted. This was abolished by the government to allow councils to increase house building. Although there is no longer a limit on borrowing, because all council house building is partly funded from Prudential Borrowing, all schemes still need to comply with the principals of the Prudential Code, including the "Treasury Management Strategy 2022/23" submitted for approval to the Executive Board in February 2022. All debt must be affordable and sustainable within the rental income of the HRA over the 30 year business plan while being compliant with the Council's Voluntary Debt Reduction Policy.

5.22 The revised Capital Strategy and Debt Reduction Policy ensures that all projects are accounted for in the allocation of available resources over a medium term planning horizon and that no additional borrowing is being taken.

As a reference the headroom to the Debt Cap is shown in **Table 12** below, this being the gap between the previously permitted and projected level of debt. The planned repayment is the principal associated with the HRA share of annuity loans, thereby reducing the Capital Financing Requirement (CFR) in year:-

Table 10: HRA Debt Position	
Description	£m
HRA CFR at 1 April 2021	298.047
Add: borrowing proposed to be taken out 2021/22	8.003
Less: debt planned to be repaid in year	(5.283)
HRA CFR at 1 April 2022	300.767
Debt cap	319.784
Estimated headroom at 1 April 2022	19.017

5.23 The MTFP assumes the use of borrowing over the life of the plan to support investment in replacement social housing – see **Table 13** for impact on the debt cap. Currently the business plan is in balance such that any additional borrowing would need to generate sufficient revenue resources to fund the repayment of the borrowing and interest.

Table 11: HRA Debt Position - Projected	
Description	£m
HRA CFR at 1 April 2022	300.767
Add: borrowing taken out over 5 year investment plan	26.442
Less: debt planned to be repaid over 5 years	29.528
HRA CFR at 1 April 2027	297.681
Debt cap	319.784
Estimated headroom at 1 April 2027	22.103

Appendix A – Service Charges Changes 2022/23

Service charges

Following an independent review of service charges the Council is implementing the recommendations made, including moving to a full cost recovery model. This results in some charges being reduced, removed or kept the same and others increasing. Increases will be made in a phased manner where appropriate (e.g. for energy costs). The general increase applied to remaining charges (marked *) is **4.1%** (CPI September 2021 + 1%).

Table 1 lists the range of services provided to specific groups of tenants.

Table 1: Weekly Service Charge (over 50 weeks)			
Service	Current 2021/22 £	Proposed 2022/23 £	Increase / Decrease £
Block Maintenance	3.28	4.56	1.28
Caretaking	6.39	6.86	0.47
Cleaning Service	3.76	4.89	1.13
Communal lighting	0.67	1.91	1.24
Communal TV Aerial Maintenance	1.13	0.11	(1.02)
Driveway (additional)	6.00	6.25	0.25
Estate Maintenance	3.80	4.41	0.61
Homewatch	0.65	0.00	(0.65)
Security (CCTV) *	5.94	6.18	0.24

There are a variety of furnished tenancy service charges and these will not be increased for 2022/23.

Independent Living Charges

Tenants in Independent Living schemes pay additional charges for services that are necessary to assist tenants in retaining their independence

In schemes where tenants are charged for block maintenance, this has been separated into two components – Independent Living Scheme Maintenance and Grander Designs. The Grander Designs service charge pays for the upgrading and future maintenance of the communal areas of Independent Living schemes.

It is proposed that the total Independent Living service charges are increased as in **Table 2** below.

Table 2: Independent Living Charges (over 50 weeks)

Charge	Current 2021/22 £	Proposed 2022/23 £	Increase £
Independent Living *	3.44	3.58	0.14
Intensive Housing Management (IHM)	11.62	12.81	1.19
Independent Living Facilities Management charge (no IHM)	3.62	4.48	0.86
Emergency / Care Alarm *	2.79	2.90	0.11
"I'm OK" system (eligible) *	5.55	5.78	0.23
"I'm OK" system (ineligible) *	1.52	1.58	0.06
Scooter storage *	1.15	1.20	0.05
Laundry facilities	1.51	1.51	0.00
ILS Scheme (Block) Maintenance	1.37	1.68	0.31
ILS Scheme (Estate) Maintenance	1.37	1.67	0.30
ILS Grander Designs *	1.27	1.32	0.05

Scheme Charges

A number of schemes have specific charges and following the review it is recommended they are amended as set out in **Table 3**.

Table 3: Scheme Specific Charges (over 50 weeks)			
Type	Current 2021/22 £	Proposed 2022/23 £	Change £
Foxton Gardens: Service Charges			
One bed	33.55	27.95	(5.60)
Two bed	35.32	27.95	(7.37)
Foxton Gardens: Water			
One bed (*)	3.35	3.49	0.14
Two bed (*)	4.65	4.84	0.19
Foxton Gardens: Heating			
One bed	16.32	16.13	(0.19)
Two bed	22.14	20.97	(1.17)
Winwood: Extra Care Charge (*)	33.02	34.37	1.35
Communal Heating	4.13	4.94	0.81
Sutton House: Heating	7.66	10.01	2.35



Department for Levelling Up, Housing & Communities

Eddie Hughes MP
*Parliamentary Under-Secretary for
Rough Sleeping and Housing*

***Department for Levelling Up, Housing and
Communities***

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2 Marsham Street
London SW1P 4DF

Email: Eddie.Hughes@levellingup.gov.uk

To: All Council Leaders in England,
CC: Chief Executives,
National Housing Federation,
G15,
Northern Housing Consortium,
Chartered Institute of Housing,
Local Government Association

9 March 2022

Dear all,

NEW SMOKE AND CARBON MONOXIDE ALARM REQUIREMENTS

I would like to start by thanking those of you who have already taken steps to keep your residents safe through improved building safety measures.

As leaders of stock-holding local authorities, ALMOs and housing associations, you may be aware that my department published our Social Housing White Paper in November 2020. The White Paper made clear our intention to transform the regulatory regime in the social sector, by strengthening protections for social residents in a number of areas, including safety measures.

The White Paper sets out actions we are taking to ensure residents feel safe and have a clear route to redress. This includes speeding up access to the Housing Ombudsman through the Building Safety Bill, ensuring there is greater transparency and learning through the Ombudsman publishing decisions and spotlight reports, and the new Complaint Handling Code. We have also launched a second awareness campaign, so residents know their rights and are confident in how to complain and escalate where needed. Landlords have a vital role in this work and we are grateful for everything they have done so far.

Alongside the White Paper, we launched a consultation on proposals to mandate smoke and carbon monoxide alarms in social homes. I am writing to you to provide an update on the outcome of this consultation and next steps for landlords. I recognise that there have been a number of announcements affecting the sector on building safety recently, and I am very keen to ensure that you are aware of these upcoming changes and understand the importance of acting on them.

In November we announced that we will press ahead with our proposals to mandate both smoke and carbon monoxide alarms in social homes. Alarms are shown to save lives and it is vital that residents in our homes are protected by them. The changes, subject to parliamentary approval, will mean social landlords must:

- Install at least one smoke alarm on every storey of their homes; and
- Install carbon monoxide alarms in every room which contains a fixed combustion appliance (excluding gas cookers)

More detail on the changes and what you will need to do can be found with our consultation response [here](#).

We want to bring forward these changes as soon as practicable, once the regulations are made in Parliament. This is a crucial measure for residents' safety, and the timeframe has been informed by the responses to our consultation: a clear majority of respondents were in favour of regulating without delay. We are working at pace to bring these changes in, which could be as soon as **Autumn 2022**. I will write to you again in the coming months once the regulations have been laid, to provide clarity on the exact date they will come into force.

I am writing to you today to strongly encourage you to begin installing alarms without delay. I welcome the positive action of those who have already installed alarms, and encourage others to act early too. I am sure you will agree that installing these alarms now is the right thing to do to make sure residents are protected as soon as possible. It is important that I make you aware that, should the legislation be approved by parliament, any landlord found to be in breach could be fined up to £5000. As such, it is vital that your organisation prepares for these changes now.

These changes are part of the Government's ongoing reforms to make sure everyone's home is a place of safety. We are committed to delivering a much-needed overhaul of the building safety system, making sure that residents are safer in their homes now, and in the future. Our Building Safety Bill will deliver improvements across the entire built environment. It will strengthen oversight and protections for residents in high-rise buildings. It will give a greater say to residents of tall buildings and toughen sanctions. Shortly, we hope to see the Bill complete its passage through Parliament so that we can progress with these once-in-a-generation reforms.

If you have any questions, you can contact the team of officials overseeing the review at smokeandcarbonmonoxide@levellingup.gov.uk.

I trust this information is helpful and thank you for your engagement on this important matter.

Yours ever,

A handwritten signature in blue ink that reads "E. Hughes". The signature is fluid and cursive, with a large initial "E" and a long, sweeping tail.

EDDIE HUGHES MP

Subject:	Nottingham Central Library
Corporate Director(s)/Director(s):	Frank Jordan, Corporate Director Resident Services Hugh White, Director of Sport & Culture
Portfolio Holder(s):	Councillor David Mellen, Portfolio Holder for Strategic Regeneration and Communications
Report author and contact details:	April Corey; april.corey@nottinghamcity.gov.uk Senior Project Manager Nigel Hawkins, nigel.hawkins@nottinghamcity.gov.uk Head of Culture and Libraries
Other colleagues who have provided input:	Nigel Hawkins, Head of Culture & Libraries
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 checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 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 type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Type of expenditure:	<input checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital If Capital, provide the date considered by Capital Board Date: 17.01.2022 and 25.04.2022
Total value of the decision:	£10,524,000 (£8,324,000 Capital, £2,200,000 Revenue)
Wards affected:	All
Date of consultation with Portfolio Holder(s):	06/04/2022
Relevant Council Plan Key Outcome:	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input checked="" type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input type="checkbox"/>
Child-Friendly Nottingham	<input checked="" type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input checked="" type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
This report seeks approval to enter into relevant contracts to commence the fit-out for the replacement Nottingham Central Library. The project forms part of the newly developed Broadmarsh car park, bus station and retail development completed in November 2021.	

The Central Library is envisioned to be a library for the future and will contribute to and help activate the newly developed Southside area of the City, broadening the diversification of the City Centre's traditional retail mix to a broader learning and leisure offer.

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

There are appendices to this report which are exempt from publication under Paragraphs 3 and 5 of Schedule 12A to the Local Government Act 1972 because they contain sensitive commercial information and/or which a claim to legal professional privilege could be maintained in legal proceedings, and, having regard to all of the circumstances, the public interest in maintaining the exemption outweighs the public interest in disclosing the information. It is not in the public interest to disclose all this information because this would release commercially sensitive pricing packages by Morgan Sindall Group and its associated supply chains and legal advice in respect of the Broadmarsh site following the insolvency of the former Broadmarsh head tenants.

Recommendation(s):

1. Agree to the commencement of the fit out works for the Central Library project.
2. Agree to the funding for the fit out works from the agreed capital programme.
3. Delegate authority to the Corporate Director of Resident Services to enter into contract to deliver the fit out works.
4. Delegate authority to the Corporate Director of Resident Services to procure any specific purchases required in accordance with the council's contract procedures.

1.0 Reasons for recommendations

1.1 Approval of the recommendations will enable commencement of the fit-out of the replacement Nottingham Central Library. This development will be a key foundation stone for the broader regeneration and activation of the Broadmarsh site. The Central Library will also act as a significant draw and destination building to one of the largest City regeneration schemes taking place.

2.0 Background (including outcomes of consultation)

2.1 In 2018 following public consultation, the Broadmarsh new build Car Park/Bus Station development was selected as the location to include the replacement Central Library.

2.2 The Broadmarsh scheme was therefore designed to incorporate this requirement. The Library will be a prominent feature and destination landmark for this area and will provide a key visual façade for Collin Street and Carrington Street. Its location is well positioned as a pivotal point between Nottingham Castle to the West, the new Nottingham College to the East, the new Northern access route and new park emerging from Listergate.

2.3 The main build scheme for Broadmarsh Car Park / Bus Station was completed in November 2021 and since that date, on-going work has taken place to both ensure that the as built 'shell' provided for the Library matched the designs developed and allowed for the scheme to be fully market tested regarding pricing in order to provide assurance that the fit-out costs are affordable.

2.4 Proposed plans for the new Library can be found at Appendix A.

3.0 Development of the Scheme

- 3.1 In 2020, FaulknerBrowns Architects finalised a developed design for the replacement Central Library fit out and the scheme was independently costed in August 2020.
- 3.2 Subsequently, a Capital Programme review was undertaken and a new Capital Strategy 2021/22 - 2025/26 was developed and agreed by Executive Board in February 2022 and Council in March 2022. This now forms the foundation of the Council's long-term planning in which the replacement Central Library scheme was re-confirmed, subject to affordability.
- 3.3 In late 2021, a review of the design and cost was undertaken to assess suitability and affordability to deliver the scheme. As a result, SCAPE contractor Morgan Sindall were engaged to complete a full tender of the required fit out works.
- 3.4 The fully market tested fit out scheme, alongside a costed and agreed value engineering programme was undertaken and completed which resulted in an affordable scheme for the replacement Central Library. The details of the costs and specification for the scheme are outlined in Appendix B (Tender Report by Pick Everard) and proposed summary project programme (Appendix C).

4.0 Libraries Needs Assessment

- 4.1 In March 2021, Nottingham City Council Library Service began a piece of work to help better understand what our communities require from a modern library service with the aim to set out a future transformation for the service. Consultation around proposals for change as part of this work entitled 'The Next Chapter' recently closed on the 24th April 2022, with the service receiving over 2,887 responses to the proposals put forward.
- 4.2 The research carried out as part of Phase 1 of the need's assessment reinforced the important role that the Central Library plays in people's usage of Nottingham's Library Services. When investigation was undertaken of the services data, it showed Nottingham Central Library had the largest active members (34% of the overall active library data base). Nottingham Central Library accounted for 32% of all visits made to the service, it also accounted for 27% of the service's total book issues and 47% of Free PC & Wifi hours used. Of the 1,700 responses, 40% selected Central Library as their preferred Library.
- 4.3 The recent Phase 2 consultation also asked respondents to give their views on a new Central Library as part of the Broad Marsh redevelopment. Of the 2,800 responses, the vast majority were positive and in support of a replacement Central Library.
- 4.4 In detailed written responses received from partners including DCMS, ACE, UNESCO City of Literature and Inspire, all emphasised the importance of having a Central Library in delivering Nottingham's statutory duty of a comprehensive and efficient library service including the provision of citywide and regional specialist resources.

- 4.5 The Central Library's depth of its stock and specialist collections is seen as a fundamental part in fulfilling the City's overall future Library Strategy and a key link to ensure and support community library delivery and development.
- 4.6 As part of the design for the replacement Central Library, we have continued to focus on children and young people and the way that they learn. We recognise that Libraries offer children and young people an opportunity to explore, imagine and make their own choices of books to read and activities to engage within.
- 4.7 The focus for the replacement Central Library through its design, programming and by working in partnership with many specialist providers is to provide a creative space for all ages to expand their horizons.

5.0 Capital Review

- 5.1 The delivery of the project remains a key priority for Nottingham City Council and the scheme has remained within the Capital Programme, subject to affordability.
- 5.2 Two Project Assurance Group (PAG) reviews have been carried out on the project in December 2019 and May 2021 which involved an assessment of the outline and full business case, finances and project delivery.
- 5.3 The scheme was reviewed and scrutinised by the Capital Programme Board on the 25th April 2022. The Board reviewed the tendered works of the main fit out as well as affordability of the scheme within the timelines proposed.

6.0 Other options considered in making recommendations

- 6.1 A number of alternative options have been considered for the delivery of a Nottingham Central Library and dismissed. A summary of options reviewed is laid out below:

Alternative Options Considered	Key Considerations
1. Do not provide a Central Library service for Nottingham City and Nottinghamshire County residents	<p>This would reduce development costs, but the Council would be open to judicial challenge as to whether it was fulfilling its statutory responsibility for providing a comprehensive library service.</p> <p>The Libraries Needs Assessment, currently out for consultation, clearly showed a high usage of the Central Library as part of the Cities overall library provision. Its role demonstrated that it was an essential part of the development of the service and a key holder of collections and resources that help support the Neighbourhood/Community library offer.</p> <p>Removal of the Central Library provision would break the agreed working protocol between Nottingham City and Nottinghamshire County Council. This agreement shares responsibility for provision of the City and County Archives and a Central Library service provision for Nottingham and Nottinghamshire.</p>

<p>2. Refurbish the existing Angel Row site</p>	<p>The current condition of Angel Row is poor. In light of its failing drainage, mechanical, electrical and asbestos issues, the cost of refurbishment would be on-par with the replacement costs for a Library at the Broadmarsh complex.</p> <p>A sale has been agreed for the site which will make a significant capital receipt towards NCC's capital programme. If the existing site is retained for the Central Library, the capital receipt would not be available and the regeneration opportunity for the development of the Angel Row site and the surrounding area would be lost.</p>
<p>3. Reduce and further sub-divide the current Library space designated within the Broadmarsh complex in order to reduce development costs</p>	<p>The space allocated within the Broadmarsh complex has been designed specifically for the replacement Central Library including but not limited to structural loadings, lift location and key mechanical and electrical infrastructure. Sub-dividing the space would be very difficult and costly to undertake at this point now the building has been built and modified for the replacement Library.</p> <p>Making the library smaller would compromise the collections and material that the Central Library is expected to hold and would give rise to an on-going need for further off-site storage. This off site storage would need to be managed and run to help support book stock and other specialist material required.</p>
<p>4. Convert Loxley House and incorporate the Central Library within this building</p>	<p>The design and floor loadings of Loxley House do not lend themselves to an easy conversion to accommodate the replacement Central library.</p> <p>Detailed designs, structural loading calculations, acoustic management and mechanical and electrical studies would need to be commissioned to determine its viability and provide an understanding of potential costs.</p> <p>This work would conflict with letting / partnering agreements currently on-going and being pursued with Loxley House by the NCC. This work would also further delay the opening of Central Library to the public by at least 12months.</p>

7.0 Consideration of Risk

7.1 A full risk register is maintained by the Project Manager. Below is a summary of the key risks and mitigations.

7.2 **Capital and Revenue Costs:** There is a risk that the project costs exceed the budgets forecasted for delivery of the scheme, especially as construction and commodity prices are volatile. To mitigate this risk we have comprehensively market tested the construction prices and have a fixed price for the delivery of the scheme.

7.3 **Reputational Implications:** In order to mitigate negative reputational implications, an appropriate Communications and Engagement plan / strategy which includes stakeholder mapping and key activities in line with the programme has been produced. A single point of contact has been agreed from the Communications department who will be made responsible for managing all interlinked project messages. All Communications activities and funding is to be agreed in advance by the Project Board and Project Sponsor and coordinated in line with the Libraries Needs Assessment.

7.4 **Integration with the Public Realm Design:** There is a risk that the complex co-ordination for all construction works in this location overlap. To mitigate this, planning is taking place with the Broad Marsh project programmer to ensure site access, site compounds and any necessary site welfare facilities are discussed and agreed.

8.0 Finance colleague comments (including implications and value for money/VAT)

8.1 Capital Finance Implications

- 8.2 The overall cost for the project is £11.654m including £2.2m revenue for ongoing maintenance and repairs. At present, the Capital Programme includes an approved budget of £1.1m in order to carry out the necessary design work, of which £0.6m has been incurred to date.
- 8.3 Following approval of this report, the Capital Programme will be increased by £8.3m to complete the fit-out with a further £2.2m being set aside in an earmarked Central Library revenue reserve.
- 8.4 The 5 year Capital Programme as agreed at the February 2022 Executive Board meeting included allocations for a replacement Central Library. These approvals are in line with the sums previously estimated and submitted. The recommendations to proceed with the replacement library to be approved by the Capital Programme and revenue reserve will be amended as follows:

	Approved Position £m	Current Position £m	Movement £m
Approved Capital Programme	1.130	9.454	8.325
Planned Capital Programme	10.524	0.000	(10.524)
Sinking Fund (Revenue Reserve)	0.000	2.200	2.200
Total Budget	11.654	11.654	0.000
Capital Funding/ Sinking Fund			
Unsecured Grant	(0.946)	0.000	(0.946)
Capital Receipts (*)	(8.000)	(8.946)	0.946
Revenue Reserve (£2.2m earmarked for Sinking Fund)	(2.708)	(2.708)	(0.000)
Capital Funding	(11.654)	(11.654)	0.000

(*) The opportunity cost of the current funding position equates to **£0.3m** p/a.

- 8.5 The General Fund Capital Programme is carrying forward sufficient secured capital receipts to fund the replacement Central Library as per **Table 1**.
- 8.6 However, please note that amending the Capital Programme as defined in **Table 1**, could mean that:
- 8.6.1 Un-committed capital projects (i.e. planned schemes) may/will require Capital Receipts to be secured during 2022/23 prior to obtaining formal approval and the Council contractually committing.
- 8.6.2 Items currently classified as a higher priority than the replacement library (as defined by the Capital Strategy) could be unfunded at March 2023 if forecast 2022/23 capital receipts slip, such as the 2023/24 approved Capital Programme and 2022/23 Transformation / redundancy costs.
- 8.7 The project team are still intending to apply for grants to help contribute towards specific equipment elements of this projects, if opportunities do arise. Where this is successful, these grants will be applied to this project as defined by the Section 151 Officer.

- 8.8 The £2.2m sinking fund will be held in a reserve to maintain the Central Library over the financial modelling period. It is forecast that this fund will be for revenue expenditure. If this reserve is required to fund capital works, further approval will be required.
- 8.9 Please note that the site on which the new library will be situated has been opted to tax. Therefore, any potential letting activity from the new library will require the Council to charge VAT.

Comments provided by Tom Straw, Senior Accountant Capital Programmes (27th April 2022)

8.10 Revenue Finance Implications

- 8.11 The replacement Nottingham Central Library at the new Broadmarsh development was approved on the assumption that the running costs can be contained within the approved budgets for the Angel Row building (cost neutral). The approvals were at Executive Board in December 2018 and Leaders Key Decision number 3479 in March 2019. This continues to remain the case.
- 8.12 Following this assumption, budget managers have been requested to continue to ring-fence budgets they hold for the delivery of the Central Library at Angel Row so that the resources can be used for the replacement Nottingham Central Library at Broadmarsh. The current staff structure for the replacement Central Library remains affordable and the budgets ring-fenced for this purpose. The project team have collated details of operations and cost estimates for the new location, where available, to ensure that the running costs remain within the approved budgets.
- 8.13 As part of the 2022/23 refreshed MTFP, a one off saving of £0.266m has been approved by Executive Board, pending the development of the site. Subject to approval of the 2023/24 MTFP, the budgets are expected to be reinstated for when the replacement Nottingham Central Library re-opens.

Comments provided by Maria Balchin, Senior Commercial Business Partner Resident Services (4th March 2022).

9.0 Legal colleague comments

- 9.1 See Exempt Appendix F.

10.0 Procurement Comments

- 10.1 Procurement will work closely with the client to ensure that all procurement activity arising from the fit out of the library is in-line with NCC's Contract Procedure Rules and Public Contract Regulations 2015 and that all necessary approvals to spend are in place prior to commencing any procurement activity.

Comments provided by Sue Oliver, Category Manager Procurement (25th March 2022)

11.0 Property Services Comments

11.1 The proposals outlined in this report do not cause any significant property related concerns. Property Services, FM and library colleagues will work together to ensure the fit out works are facilitated and that the ongoing operation of the library within the wider Broadmarsh Car Park & Bus Station is as efficient as possible.

11.2 The legal issues outlined in the exempt Appendix F should be noted.

Comments provided by Beverley Gouveia, Head of Disposals & Development (3rd March 2022).

12.0 Crime and Disorder Implications (If Applicable)

12.1 Library's often act as safe and trusted spaces. A library is often seen as a sanctuary which provides information and the opportunity for many to be sign posted to numerous services that help them tackle or overcome challenging issues and circumstances in their lives. Libraries can be the first port of call for many new citizens, migrants or refugee's living in the City, providing vital first steps in helping them integrate, establish employment and see Nottingham as their home. This is a vital part of community cohesion and contributes to making Nottingham a safer community.

13.0 Social value considerations (If Applicable)

13.1 Not only will the project strongly support Nottingham's place as one of the key cultural destinations in the UK by driving forward tourism and investment in the City, it will act as a model for all future library developments across the UK at a time when the social value of libraries has never been greater.

13.2 The Library service promotes life-long learning, supports children's literacy, encourages digital inclusion through access to computers and WiFi and directly and indirectly contributes towards the social and economic wellbeing of its communities.

14.0 Regard to the NHS Constitution (If Applicable)

14.1 Nottingham Central Library acts as a community hub to connect citizens, reduce isolation and promote positive social action (such as health schemes and environmental awareness).

14.2 One of the four main aims of the Library service is to helping local people access employment and encourages local enterprise through the provision of resources and support structures.

14.3 The merits of the Library for the City as a whole are clear, offering the prospect of more jobs, prosperity, and better quality of life for citizens. This is alongside evidence regarding the importance of literacy and reading for pleasure on life chances, health and well-being.

15.0 Equality Impact Assessment (EIA)

15.1 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 D, and due regard will be given to any implications identified in it.

16.0 Data Protection Impact Assessment (DPIA)

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

No
A DPIA is not required because records will be managed in compliance with the Council's legislative requirements and in compliance with the wider regulatory environment described in the Records and Information Management Policy January 2021 v5.0.

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

17.0 Carbon Impact Assessment (CIA)

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

No
A CIA is not required because:
(Please explain why a DPIA is not necessary)

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

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

18.1 None

19.0 Published documents referred to in this report

19.1 Treasury Management Strategy 2022/23 and Capital Strategy 2022/23 – Executive Board, February 2022

19.2 Treasury Management Strategy 2022/23 and Capital Strategy 2022/23 – Council Meeting, March 2022

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Replacement Central Library

Appendix A

Images of the new library





UPI
NO EXCITING
NIGHT NIGHT!

TO LET

LOOK BOTH WAYS

Nottingham Central Library

**Reception and Café
Replacement Central Library**





**Children's Area
Replacement Central Library**



**Immersive Story Room –
Replacement Central Library**



**Local Studies / Display Areas –
Replacement Central Library**

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Appendix C – Proposed Project Programme – Relocation of Nottingham Central Library

	Action	May '22	Jun '22	Jul '22	Aug '22 - March '23	Apr '23 - June '23	July '23
Pre Contract Work	Approval to proceed (Executive)	█					
	Mobilisation	█	█				
	Start on Site		█	█			
Development	Main Contract Works			█	█		
	Phased staff recruitment				█	█	
	Stock & IT fit out					█	
	Library Open to Public						█

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Equality Impact Assessment Form

1. Document Control

1. Control Details

Title:	Nottingham Central Library
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Strategic Budget EIA: Y/N	Y
Exempt from publication Y/N	N

2. Document Amendment Record

Version	Author	Date	Approved
1	April Corey	25/02/2022	NH

3. Contributors/Reviewers

Name	Position	Date
Nigel Hawkins	Head of Culture & Libraries	25/02/2022
Rosey Donovan	Equality and Employability Consultant	03/03/2022

4. Glossary of Terms

Term	Description
Disability Involvement Group (DIG)	The Disability Involvement Group monitors progress and provides consultation on disability issues. It is made up of representatives from the community and voluntary sector.
Disabled Employee Support Network (DESN)	<p>To achieve DESN's key aims, they work collaboratively with Nottingham City Council to:</p> <ul style="list-style-type: none"> • Improve training and career opportunities through better communication and distribution of information with the disabled community; • Provide a safe place for discussions and support; • Be citizen and customer focused by encouraging the development of improved services via discussion and consultation; • Work towards ensuring that the Disabled equality perspective is proactively incorporated within the Council's policy and planning processes; • Help with developing good practices; • Contribute, comment and provide input to Council policies, procedures and working practices and • Work in partnership with internal and external stakeholders, partners, organisations and agencies.
NCC	Nottingham City Council

2. Assessment

1. Brief description of proposal / policy / service being assessed

The fit-out for the replacement Nottingham Central Library forming part of the newly developed Broadmarsh car park, bus station and retail development completed in November 2021.

2. Information used to analyse the effects on equality:

Key stakeholder and community groups have been engaged alongside the development of the design including children's groups (Primary Parliament), disabled and accessibility group Disability Involvement Group (DIG) and Disabled Employee Support Network (DESN), teenager workshops and new partnership steering groups with the city Universities, The Castle Trust and Galleries of Justice. All feedback has been reviewed and appropriately amalgamated within the design brief for the project.

Future focus groups and engagement will be planned regarding discussions of the future Library programming offer.

The detailed design phase has taken into consideration the specific needs of various groups including children and disabled users, ensuring the design is compliant with Building Regulations and the Equality Act by incorporating statutory design requirements.

3. Impacts and Actions:

screentip-sectionD	Could particularly benefit X	May adversely impact X
People from different ethnic groups	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Men	<input type="checkbox"/>	<input type="checkbox"/>
Women	<input type="checkbox"/>	<input type="checkbox"/>
Trans	<input type="checkbox"/>	<input type="checkbox"/>

Disabled people or carers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Pregnancy/ Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none	<input type="checkbox"/>	<input type="checkbox"/>
Lesbian, gay or bisexual people	<input type="checkbox"/>	<input type="checkbox"/>
Older	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Younger	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p style="text-align: right;"><u>screeintip-sectionE</u></p> <p>How different groups could be affected (Summary of impacts)</p>	<p style="text-align: right;"><u>screeintip-sectionF</u></p> <p>Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p>
<p>Provide details for impacts / benefits on people in different protected groups.</p> <p>The new Library will host a creative programme bursting with ambition, promoting multi art-form learning, research, innovation and entrepreneurship. This is significantly more widespread than the current programme for the Central Library and hopes to reach a much wider audience. The programming work will plan over a five year period and will be being detailed in the next stages alongside the design of the new space.</p>	<p>1 Actions will need to be uploaded on Pentana.</p> <ul style="list-style-type: none"> • Close engagement with the current library users and staff to consider of best practice/ guidance of the current library service to ensure that the space is suitable for the needs of those using it. • Visits to a range of Libraries across the country have been undertaken with the project manager, architects and Library service managers to capture good practice

The Library will have a much larger number of spaces for individual learning and working compared to the current Library. This is as well as rooms and spaces for meetings and collaborative activities for a range of current and new users. This is to encourage a wider range of groups to access the space in its new, modern capacity.

Each space will be supported by multi-media resources, including books, journals and IT and each zone will have a distinct colour scheme inspired by the colours of Nottingham.

Extensive research and widespread consultation has been conducted into materials, furniture and colours, and how each of these can be adapted to differentiate the zones and ensure full accessibility for all.

One of the potential issues highlighted in the Summer 2018 consultation was the distance of the new Library from the current Library and how users may struggle with the new location – this is being taken into account in the communication strategy when re-opening the new Library (signposting and working with the local travel operators to enable this transition).

The new Library is built on a bridge structure on a sloping topography which means a number of steps into the main entrance and on the ground floor at Collin Street is required. A number of early discussions have taken place with Disability Access Group and NCC Staff Disability Group to highlight this aspect of the design and understand its limitations. Feedback has been very positive from the groups and continued dialogue with the project team will be planned going forward. Design

design and also operations of the new library including lessons learned.

- Lessons Learned from previous NCC and external Library projects have been captured and taken on board.
- Public Consultation was undertaken in Summer 2018 which garnered widespread support for the location of the new Library.
- A new consultation was launched alongside the NCC Corporate Ambitious campaign on 20th Jan 2020. The launch shows new proposed designs of the Library as well as a fly-through of the Library which resulted in significant positive interest for the new space.
- Inclusivity will be paramount to the project, enabled through planned engagement with key groups and stakeholders before the opening of the Library.
- Due to the topography of Collin St, there are steps leading to the main entrance of the new building, however, a fully accessible and inclusive entrance is also installed at the entrance. The new Library is also over less floors than the old location enabling easier journeys throughout the space.
- A post occupancy survey will be completed which will take place following an agreed period of time of operation after the Library re-opens at Broadmarsh.

changes have been made as a result of this feedback including the flow on the ground floor concerning ramps and steps along Collin Street.

4. Outcome(s) of equality impact assessment:

<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

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

Once the works are complete, a post-occupancy review will be undertaken to ensure that the project has met the needs of those using the space.

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6. Approved by (manager signature) and Date sent to equality team for publishing:

The assessment must be approved by the manager responsible for the service/proposal. Include a contact tel & email to allow citizen/stakeholder feedback on proposals.	Date sent for scrutiny: <u>equalityanddiversityteam@nottinghamcity.gov.uk</u>
Approving Manager: Nigel Hawkins, Head of Culture & Libraries. Tel: 915 64969 nigel.hawkins@nottinghamcity.gov.uk	Date of final approval:

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

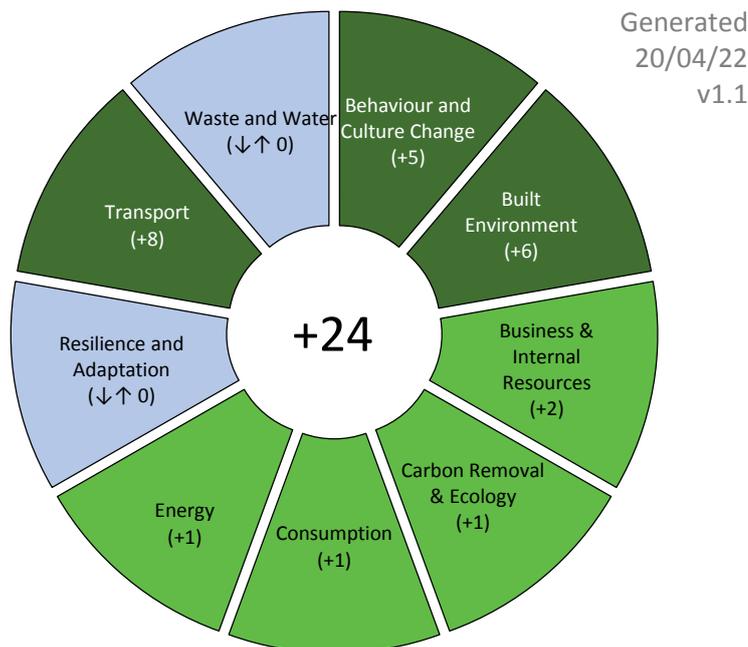
1. Read the guidance and good practice EIA's
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>

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.

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Replacement Nottingham Central Library at the Broadmarsh Development



Nottingham is aiming to become the first carbon neutral city in the country by 2028 (5 years and 8 months away).

- This project is limited in its effectiveness to contribute towards the City Council’s aim to achieve net carbon neutral status by 2028 due to the fact that the project management of the “shell and core” construction, which the Library will sit within, is outside the scope of this project. For example, options for natural ventilation is not possible as the Library has a defined position within the car park which includes full height windows.
- Due to the fact that the Broadmarsh Development has been constructed and is now open (the Central Library is being fitted out within the car park “shell”) it is impossible to alter any elements of the buildings infrastructure.
- The majority of the Library space and movement of visitors is at the north elevation of the new development, where glazing on this north elevation will maximise natural light and prevent excessive heat gain.
- A Solar Photo Voltaic (PV) farm will be installed on the roof of the new car park. This renewable energy resource will benefit the entire development including the Library, which will significantly reduce the energy use and carbon footprint.
- The scheme will be delivered by a contractor on the SCAPE Group framework which has active KPIs to manage and monitor contractors and their supply chain in the delivery of sustainable schemes.
- SCAPE Construction contractors have been selected because of their carbon literacy and demonstrable ability to meet environmental targets. Carbon measurement and benchmarking is standard on projects as part of the SCAPE Construction framework. The procurement and project standards are built on LETI net-zero design guide and RIBA 2030 climate challenge principles. The contractors are all carbon literate contractors and are compliant with PPN 06/21, with Carbon Reduction Plans in place.

- The future services offered by the Library are to consider re-useable and sustainable proposals such as a toy library, a nappy library and tool library. This will be reviewed within the new programme of work, managed by the Libraries team.
- The Business IP Centre based at Central Library actively encourages entrepreneurs and growth of businesses. The service provides free business support to start-up business owners, entrepreneurs, and inventors across Nottinghamshire and neighbouring areas which can include the development of green businesses/ businesses which are focussed on delivering green technologies, research, services.
- The new location of the Library is much more efficient in terms of space and staffing as well as utility demand/ consumption.
- As part of the car park development and adjacent to the bus station, staff and visitors are closer to the train station enabling a wider variety of travel options to the site. A new cycle hub is also being installed as part of the car park development aiding active travel opportunities.
- The new Central library has been designed to be much easier in terms of customer flow and customer accessibility including facilities such as recycling points.
- The library by its nature can be an educational tool for increasing awareness to a wider audience and provide positive messages.

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By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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