

## Equality Impact Assessment Form

### 1. Document Control

#### 1. Control Details

Title:	<b>Licence Fee Policy and general administrative practices applied during determination process for licences under Parts 2 and 3 Housing Act 2004</b>
Author (assigned to Pentana):	Julie Liversidge – Operations Manager
Director:	Andrew Errington DIRECTOR COMMUNITY PROTECTION
Department:	Commercial & Operations
Service Area:	Community Protection: Safer Housing & Licensing
Contact details:	011587 62680
Strategic Budget EIA: Y/N	N
Exempt from publication Y/N	N

#### 2. Document Amendment Record

Version	Author	Date	Approved
1	Julie Liversidge	09/12/2020	

#### 3. Contributors/Reviewers

Name	Position	Date
Julie Liversidge	Operations Manger	05/03/2021
Nasreen Miah	Equality & Employability Consultant	12/03/2021

#### 1. Glossary of Terms

Term	Description
EIA	Equality Impact Assessment
HMO	House In Multiple Occupation
LHA	Local Housing Authorities
ASB	Anti-Social Behaviour
BME	Black and Minority Ethnic communities
PRS	Private Rented Sector

EU	European Union
NPRAS	Nottingham Private Rented Assistance Scheme
NCC	Nottingham City Council

## [screentip-sectionB](#)

### 2. Assessment

#### 1. Brief description of proposal / policy / service being assessed

Houses licensing is a power available to Local Housing Authorities (LHAs) within the provisions of the Housing Act 2004 (“HA 2004”). HA 2004 Part 2 & 3 sets out the general duties on LHAs and their powers in relation to licensing functions.

Nottingham City Council as the LHA operates the following schemes:

- Mandatory Licensing in since 2006;
- Additional Licensing since January 2014; and a second scheme from the 1 Jan 2019
- Selective Licensing since August 2018 (this scheme is not covered by this EIA. A separate EIA was completed as part of the Selective Licensing of Housing - Revised Fee Structure and Policy Review 2019)

This Additional & Selective Licencing Schemes have been the subject of a separate Executive Board report in 2018 and had their own EIAs.

Nottingham City Council is under a statutory duty to licence certain types of HMOs. It is appropriate to review and, where necessary, amend the licence fee and associated policies for the schemes.

As a result of operating and processing licence applications over the past couple of years, the Council is able to be more accurate in its fee policy.

This EIA examines the impact of the proposed updated fee policy.

The LHA is committed to using its powers under the HA 2004 because it provides the following benefits:

- An opportunity to continue to influence higher standards of HMO accommodation and to ensure effective management through more extensive control; and
- Higher levels of citizen satisfaction with private rented sector accommodation within the City.
- Reduced onward impacts of poor quality or poorly managed accommodation, such a poor health and homelessness.

**screeintip-sectionC**

**2. Information used to analyse the effects on equality:**

- Census 2011 and Household Projections;
- Issues and indications arising from full consultation on the previous scheme of Additional Licensing (2013-18), current scheme of Additional Licensing (2019-2023 and Scheme of Selective Licensing (2018-2023).
- Ethnicity monitoring via Licensing applications.
- Building Research Establishment (BRE) 2016 [www.nottinghaminsight.org.uk/f/183870](http://www.nottinghaminsight.org.uk/f/183870)

References

1. Housing Act (2004) Section 56 - <https://www.legislation.gov.uk/ukpga/2004/34/part/2/crossheading/designation-of-additional-licensing>

**3. Impacts and Actions:**

<b><u>screeintip-sectionD</u></b>	<b>Could particularly benefit X</b>	<b>May adversely impact X</b>
People from different ethnic groups.	<input checked="" type="checkbox"/>	X
Men	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Women	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Trans	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Disabled people or carers.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Pregnancy/ Maternity	<input checked="" type="checkbox"/>	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	<input checked="" type="checkbox"/>	X
Lesbian, gay or bisexual people.	<input checked="" 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 type="checkbox"/>
<b><i>Please underline the group(s) /issue more adversely affected or which benefits.</i></b>		

<p style="text-align: right;"><a href="#"><u>screeintip-sectionE</u></a></p> <p><b>How different groups could be affected</b> (Summary of impacts)</p>	<p style="text-align: right;"><a href="#"><u>screeintip-sectionF</u></a></p> <p><b>Details of actions to reduce negative or increase positive impact</b> (or why action isn't possible)</p>
<p>The most significant difference in impact will be between the two groups that licensing directly affects most, Tenants and Landlords. To a lesser, though still significant extent, it will also impact members of the broader communities that have a high number properties covered by the designation.</p> <p>As groups of tenants and Landlords are diverse and consideration must be given to whether any potential benefit or adverse impact of the scheme relates to the Tenant/Landlord/Community Cohort or to a</p>	<p><b>Action:</b></p> <ul style="list-style-type: none"> <li>Ongoing liaison and engagement directly with and with groups representing landlords, tenants and therein their component communities and a range of communications and marketing works will be undertaken to ensure engagement with a broad</li> </ul>

particular equality strand represented within them.

The positive impacts of the scheme are improved property conditions, safety, tenancy management, community relations and reduced ASB which can be continually improved via the monitoring of and enforcement action against non-compliant landlords.

### **People from different ethnic groups**

There is no data set which links rental property ownership to ethnic origin, so it is not possible to quantify the impact. It is considered that overall the benefits of licensing outweigh the potential disadvantages. The schemes aim to have a positive impact on disadvantaged groups who are over-represented in HMO accommodation (e.g. refugees, asylum seekers, migrant workers who are housed in shared accommodation or can only afford shared accommodation) and wider communities that are covered in the additional designation and city wide mandatory licensing.

The population of those living in the City's Private Rented Sector comprises people from a range of different BME communities and mapping shows there is a coincidence of citizens from BME communities with higher levels of private rented sector property. The tenant profile of HMOs is likely to be a less diverse than that of the PRS overall, however it is known that in certain areas of the City HMOs accommodated significant proportion of certain BME groups, particularly single, economic migrants such as those from Eastern European countries. Overcrowding can be an issue in some areas and illegal conversions of properties particularly affect new and emerging communities, as do poor or improper tenancy management.

**Potential benefit:** Licensing brings improved quality and safety of accommodation for all tenants including BME tenants living in HMOs and assists in the identification and removal of landlords who cause negative impact to vulnerable BME or new communities via substandard or illegal accommodation.

range of stakeholders. Issues of communication and understanding in respect of learning from the existing scheme's and for any new scheme will be factored into operational delivery.

### **Action:**

- Continue to collect bi-annual ethnicity data from landlords applying to the scheme, with analysis of any change in dynamic or BME communities entering or exiting this market.
- Increased engagement with landlords from communities of interest by the Safer Housing Team.
- Continue to make information and good practice available in a range of accessible and easy read formats.

**Potential adverse impact:****(a) Landlords**

During the formal consultation on the current Scheme of Additional Licensing in 2013, it was put forward that the Scheme would disproportionately and adversely impact the south Asian community. Many HMO landlords are of south Asian (Indian and Pakistani heritage) and residential property investment is a key strand of these communities' financial interests, therefore any adverse financial impact of the scheme on landlords would be disproportionately felt.

There is limited data available on landlord ethnicity, however of that collected (105 volunteered responses via the licensing application process), 40% were White British/Irish, 47% were Asian and 13% were Black or Other Ethnicity. Of the Asian landlords, 62% were Asian Pakistani, meaning this particular ethnicity makes up 35% of the total respondents.

It is acknowledged that this is a complex issue and that support will be required to ensure that different communities understand what licensing means for them, what is expected of landlords and that they are able to comply with the requirements.

**(b) Tenants**

Concern has been raised that licensing will cause an increase in rents as a result of the increased landlord expenditure on the licence and the costs of complying with licensing conditions. Though the proposed designation for Additional covers areas of the city with higher proportions of BME households, there is no evidence to suggest that HMOs are disproportionately occupied by BME households, in fact based on the main groups-known to use HMO accommodation, it is likely that overall the concentration of BME households is less than in the PRS overall.

Mandatory Licensing is a national government scheme and covers the whole of the city.

**Action:** continued engagement with specific communities by the Safer Housing Team

Use targeted data to identify communities by geographical location and offer targeted support such as completing application forms and providing correct records.

When organising events target locations of low engagement and use the diversity within the scheme to support this work.

**Action:** licensing works closely with the Community Cohesion Team to raise awareness of tenants and landlords

- To work with partner organisations such as Citizens Advice and The Law Centre and internal departments such as Housing Aid & NPRAS to monitor any increase in people from HMOs making presentations or seeking advice due to impact of licensing.
- To work and negotiate with landlords to prevent homelessness at an early stage with our Tenancy Matters Team.
- Encourage landlords to engage with NPRAS internal Council department to provide housing for those at risk of homelessness.
- An application service is available at NCC to assist with those who have repeatedly tried or have a significant challenge in completing the required form.

It is understood that many EU citizens of Eastern European and African descent are accommodated in HMOs that would be subject to additional and mandatory licensing, as well as those from other new or emerging communities, refugees and asylum seekers. Such households could be negatively impacted or displaced by an increase in rents whilst not being eligible for welfare assistance. Landlords could limit themselves to “safer” options in terms of rental security reducing the availability of accommodation to these groups or potentially withdraw from the sector altogether limiting accommodation to all who may want or need to use it.

Less compliant HMO landlords will pay a higher fee to cover the cost of the extra monitoring and enforcement that is usually associated with this group of properties and landlords.

There is a risk however that the costs to landlords associated with Licensing will be passed on to tenants, however there is no evidence to suggest that increases in HMO rents to date are driven exclusively by the introduction of the scheme . Increases in HMO rents were observed after the introduction of licensing however, they were also seen in cities – notably with similar student populations – that did not have a licensing scheme in place.

The risk of rent increases as a direct result of licensing is therefore one that that council is aware of, but one which is based on speculation.

The Council does not consider that standards of accommodation should be compromised in the interest of greater affordability or preservation of margins and believe that the standards required by licensing are ones that landlords should already be meeting.

### **Disabled People or carers**

It is acknowledged that the HMO sector maybe home to a number of people with learning disabilities or mental health issues, particularly as it is known to cater to younger and/or single household in receipt of local housing allowance and shared living is an established model for delivering care to those with similar needs.

Tenants with health issues are also much more likely to be affected by problems with damp/mould or other housing disrepair issues and may face problems with communication and getting repairs done quickly.

**Potential benefit:** improvement in the property standards and tenancy management will have a positive impact on the health and security of tenants, something of particular benefit to those who may be vulnerable due to disability, mental health issues or learning needs.

**People of different faiths/ beliefs and those with none.**

Issues or links between particular BME groups and the impacts of licensing could also apply to this equality strand.

Having identified that many landlords are from South Asian, or more specifically Pakistani, backgrounds, it should be noted that the community may not receive, for religious reasons, 'interest' from investments and therefore property is a preferred investment for many, hence this makes this community sensitive to any matters that could affect property prices or yields.

As previously, the Council does not consider that standards of accommodation should be compromised in the interest of greater affordability or preservation of margins and believe that the standards required by licensing are ones that landlords should already be meeting.

**Younger**

It is recognised that the age profile of HMO tenants are younger than the housing market or PRS market as a whole predominantly because two of the main groups using this type of accommodation are students and young people who are in receipt of Local Housing Allowance (LHA). LHA (housing benefit for PRS tenants) is capped at a "room rate" for single people under 35, meaning the amount they receive is intended to cover the rent in shared rather than single occupancy housing.

**Potential benefit:** Improving the standard of rented accommodation by ensuring, through licensing, and compliance that they are safe and well managed by fit and proper persons. Monitor rents and investigating any excessive rent increases or threats of illegal eviction. Therefore this type of accommodation would benefit younger people who could not afford to live alone and provides better value for money to the public purse.

**Potential adverse impact:** Any rent increase because of licensing could have a particular impact on young people in receipt of local housing allowance. Their allowance is specifically based on shared accommodation or room rate. However, their allowance could fall short of an increased in rent, making them more vulnerable to eviction and homelessness and landlords more likely to seek out “safer” tenant/rent options.

**Other: cohesion/ good relations, vulnerable children/ adults.**

Looked after children and vulnerable children are unlikely to be housed in HMOs, although those leaving care may well access this type of accommodation, in which case observations relating to younger people (above) may apply. Where vulnerable children are living in HMOs they would benefit from improvements in property conditions and safety.

Improvements to the management and conditions of properties, particularly in terms of ASB and poor external condition will assist an increase in cohesion and reduction in tensions between occupants of HMOs and others residing in the neighbourhood.

The evidence for the proposal and review of the current scheme, both looked complaints and service requests relating to HMOs, indicating a reduction in areas where licensing and enforcement has been in operation.

**Actions:**

- To use data available form partner organisations UNIPOL to look at rent trends in HMO accommodation (student only)
- To work and negotiate with landlords to prevent homelessness at an early stage with our Tenancy Matters Team.
- Encourage landlords to engage with the NCC team NPRAS to provide housing for those at risk of homelessness.

--	--

**4. Outcome(s) of equality impact assessment:**

<input checked="" type="checkbox"/>	No major change needed	<input checked="" 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:**

The impact of licensing on households will be monitored via feedback from stakeholders or organisations representing stakeholders.  
 The impact of the scheme on the availability and security of accommodation to vulnerable can be monitored using referral data to agencies such as Housing Aid and Advice Nottingham.

**6. Approved by (manager signature) and Date sent to equality team for publishing:**

<p><b>Approving Manager:</b></p> <p>Julie Liversidge – Operations Manager Housing Licensing &amp; Compliance <a href="mailto:julie.liversidge@nottinghamcity.gov.uk">julie.liversidge@nottinghamcity.gov.uk</a>, 0115 8762680</p> <p>The assessment must be approved by the manager responsible for the service/proposal. Include a contact</p>	<p><b>Date sent for scrutiny:</b>                  Send document or Link to: <a href="mailto:equalityanddiversityteam@nottinghamcity.gov.uk">equalityanddiversityteam@nottinghamcity.gov.uk</a></p>
---	---

tel & email to allow citizen/stakeholder feedback on proposals.	
<b>SRO Approval: Julie Liversidge</b>	<b>Date of final approval:05/03/2021</b>

**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.