

Equality Impact Assessment Form

1. Document Control

Control Details:

Title:	Proposal for a scheme of Selective Licensing of privately rented houses
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Director:	Paul Seddon, Director for Planning, Regeneration and Traffic
Department:	Growth and City Development
Service Area:	Housing Strategy and Regeneration
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Strategic Budget EIA: Y/N (Does this EIA have an impact on the budget) If yes, please include the reference number	N
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
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4. Glossary of Terms

Term	Description
Antisocial Behaviour (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 data¹ 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.

¹ <https://www.ethnicity-facts-figures.service.gov.uk/housing/owning-and-renting/renting-from-a-private-landlord/latest#by-ethnicity-and-area>

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 disability² 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"/>
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 checked="" 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>		

² <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/disability/datasets/disabilityandhousinguk>

<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>Provide details for impacts / benefits on people in different protected groups.</p> <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</p>	<p>Continue on separate sheet if needed (click and type to delete this note)</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>

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.

Potential adverse impact:

(a) Landlords

Background: Property investment by the Asian community is often the foundation of their financial interests. 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. Life savings are often invested in property. Great concern that the proposals will seriously damage property portfolios having a 'knock-on' effect of reducing 'yields' and lowering income that can be used to support families, the community etc. Representatives of this community 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.

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.

<p>(b)Tenants</p> <p>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.</p> <p>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.</p> <p>The scheme may cause landlords to withdraw properties from the sector and lead to less homes being available for renters.</p> <p><u>Disabled people or carers</u></p>	<p>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 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.</p> <p>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..</p> <p>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.</p>
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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 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.

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.

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.

People from different faith groups

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

Selective Licensing does not bring any powers to compel landlords to carry out adaptations, so it cannot have an impact in respect of this. 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.

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.

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><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>	
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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. If changes are required to the EIA due to additional evidence they will be made and submitted with the Executive Board Report post consultation.

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</p>	<p>Date sent for advice: Send document or Link to: equalities@nottinghamcity.gov.uk</p>
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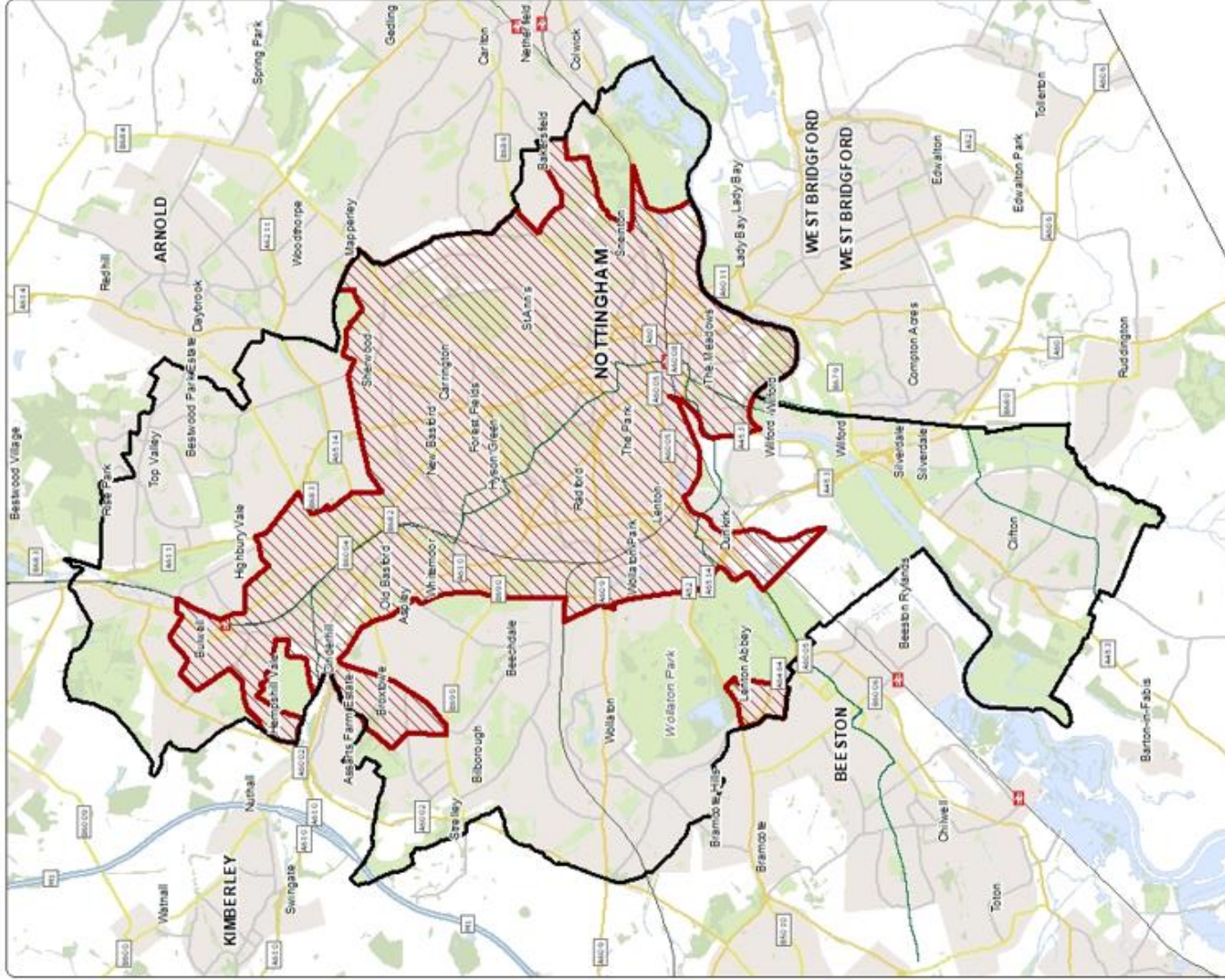
tel & email to allow citizen/stakeholder feedback on proposals.	
Approving Manager Signature: 	Date of final approval: 30.03.2022

Before you send your EIA to the Equality and Employability Team for advice, 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.

PLEASE NOTE: FINAL VERSION MUST BE SENT TO EQUALITIES OTHERWISE RECORDS WILL REMAIN INCOMPLETE.

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