

Overview and Scrutiny Committee 12 October 2022

Selective Licensing Briefing

Overview

The current scheme approved by Secretary of State in February 2018 runs from August 2018 to July 2023. A second scheme to run after July 2023 was approved in principle at the Executive Board (May 2022) with the consultation running from May to August 2022. The Executive Board also agreed to receiving 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 approval. You can view the reports and annexes here:

<https://committee.nottinghamcity.gov.uk/documents/s134039/Proposal%20for%20a%20Scheme%20of%20Selective%20Licensing%20for%20Private%20Rented%20Houses.pdf> and

<https://committee.nottinghamcity.gov.uk/documents/s134040/Enc.%201%20for%20Proposal%20for%20a%20Scheme%20of%20Selective%20Licensing%20for%20Private%20Rented%20Houses.pdf>

The team is currently reviewing the consultation comments and survey results, working towards a November 2022 Executive Board with options being proposed.

This briefing covers the following:

1. Value for money
2. Achieving the aims
3. Evidencing outcomes
4. Robust consultation
5. Considered disadvantaged groups

Summary of core benefits of housing licensing

Housing licensing is a key tool to help ensure:

- Privately rented properties comply with all relevant legislation
- Homes are safe for people to live in
- The Council and partner agencies tackle nuisance and anti-social behaviour relating to or emanating from residential property
- Poor landlords are tackled and required to improve their properties or leave the private rented market
- Support and guidance for landlords to enable them to maintain their houses to a good standard, enhancing the quality of housing available to people that live in Nottingham

1. Value for money

The scheme is cost neutral funded via a licence fee paid by landlords. Licensing funds approximately 70 staff within the selective licensing team: administrative staff, compliance

and enforcement officers, managers and several support staff within the wider Council in IT, finance, legal, HR etc.

Licensing is not a transactional process; it is there to allow landlords to legally operate within the designated area and as such is not solely about providing a service to landlords, but about protecting tenants and regulating landlords. There are added benefits to landlords with a scheme in place including advice and guidance on what makes a safe house, monthly landlord newsletter, support for landlords dealing with difficult tenants, in particular ones causing ASB.

The proposed fees are comparable to other Councils, a number of other Council's fees are included in Appendix 1. The Council offers an accredited fee for members of DASH, Unipol and ANUK, (its accreditation partners), and as such offers a lighter touch regulatory approach to these landlords. This allows the Council to focus more of its resources on those landlords that are not accredited.

2. Achieving the aims

Current progress on some key data (as September 2022):

31,250	Total number of licence applications received, relating to 29,744 unique properties
200	Applications still being received per month (in final year of the scheme)
33,650	Projected number of applications received by scheme end (July 2023)
29,064	Total properties licenced and regulated by licensing NB – not all applications received result with a licence being issued, e.g. licence is refused, or property sold before licence issued
6773	Landlords issued with legal notices requiring them to provide information about potentially licensable properties
65	Civil Penalty notices for failure to licence a selective licensing property and breaches of licence conditions
13	Landlords prosecuted for 49 offences at 30 properties. 27 of these offences related to selective licensing. In at least once case the same landlord was also prosecuted for failing to licence houses in multiple occupation (HMOs)
1535 individual and 46 blocks	Selective licence applications received following investigations and/or enforcement action and licences issued to draft or final stage
6,246	Number of inspections by the Council NB More accredited licensed properties have also been inspected by our partners, DASH, Unipol and ANUK
1,324*	Property improvements by Council intervention at 952* properties
12,780	Estimated number of inspections undertaken by the Council by scheme end (July 2023)
2,091*	Properties inspected by our partners, DASH, Unipol and ANUK (city wide to Jan 2022)
2,409*	Property improvements by our partners, DASH, Unipol and ANUK (city wide to Jan 2022)
<i>*Some properties had more than 1 hazard removed</i>	

Selective licensing is not a tool which will solve all problems by itself. It is there to work alongside other colleagues, partners and wider initiatives, working collectively towards improved housing conditions for all. The aims of any future scheme will be presented to Executive Board, but in broad terms will need to meet the legal requirements laid down in the Housing Act 2004 and align to the Council's Strategic Plan (2021-23).

In addition to helping to achieve the objectives of the Council's Strategic Plan, Selective Licensing has played an important contribution in delivering the City Council's Housing Strategy 'Quality Homes for All' (<https://www.nottinghamcity.gov.uk/information-for-residents/housing/strategic-housing/the-citys-housing-strategy/>) which set out the clear justifications for introducing the scheme. This is also in line with the commitments outlined and anticipated to be included in the City's new emerging Housing Strategy around 'driving excellence in housing standards and services in the City's existing housing stock, across all tenures'.

Moreover, the Government has emphasised the importance of standards, safety, compliance and robust enforcement in the private rented sector in its recent White Paper 'A Fairer Private Rented Sector' published in June 2022. The White Paper specifically details the powers and benefits licensing can bring, and includes Nottingham as a case study detailing the work to drive up property conditions, and the outcomes achieved, through Selective Licensing in Nottingham (<https://www.gov.uk/government/publications/a-fairer-private-rented-sector>)

Housing licensing bolsters delivery of the following strategic areas:

- Better Housing - improving housing conditions by setting a legal bar for minimum standards of housing and management and enforcing against non-compliant landlords, removing them from the market or working with them to improve.
- Clean and Connected Communities – requiring landlords to provide waste management plans and a quicker resolution of issues outside the property impacting on residents and the wider community. Licensing is there to protect people living within the property and those living nearby.
- Carbon Neutral by 2028 – Through engagement and enforcement of housing standards the Council will seek to continue to improve the properties with the worst energy performance certificate (EPC) ratings. This work has started and will continue in any future scheme to support reducing tenants bills and their carbon footprints.
- Safer Nottingham – Through requiring landlords to take responsibility for tenants causing ASB and have an ASB plan in place the Council will, alongside working with partners, continue to contribute to making Nottingham a safer place. This is undertaken through increased Council presence in areas of concern and a reduction of properties causing repeat problems and speedier complaint resolution times by positive engagement and enforcement of licence conditions.
- Healthy and Inclusive – through helping to improve conditions for tenants in properties that have damp and mould, cold homes / poor heating and safety / security issues and other hazards, raising the standard of the worst properties.

Any second scheme would have a similarly clear set of aims and outcomes.

3. Evidence outcomes

The scheme will continue to regulate a significant proportion of the private rented sector, albeit the proposed 2nd scheme is more focussed than the current scheme. The following are evidence of these successes.

More than expected landlords have applied for and been granted licences, being regulated with licence conditions in place that can be enforced. This is not just about regulating, but also about being able to engage with landlords we have never engaged with before and offering advice and support.

Enforcing against landlords that fail to licence, with the Council prosecuting and issuing civil penalty notices against landlords, with at least 3 portfolio landlords (those who own multiple properties) removing themselves from the market.

Improving properties through inspections – this has not always required enforcement action, (which is a last resort) as some properties have been improved purely because of licensing being in place.

Improving properties without having to inspect – approximately 30% of properties are accredited and meet higher than minimum standards, with properties being improved without the Council having to intervene at all.

Being able to require landlords to have a plan for dealing with ASB and engaging with them to prevent ASB issues escalating helping to reduce the likelihood of landlords evicting tenants by supporting and engaging with both tenant and landlords to look at workable solutions enabling the tenant to remain at the property and prevent homelessness.

4. Robust consultation

The council has undertaken a 12-week consultation (the minimum is 10 weeks) for the proposed 2nd scheme which has been extensive and widespread, utilising colleagues within Engagement, Communications and Marketing alongside using the Engage Hub on the Councils website. Engagement has also included online and face to face consultation events with 847 respondents completing the consultation survey, and some partners providing more detailed written responses. See Appendix 2 for online activity; see Appendix 3 for a first draft of the thematic responses to the consultation survey.

We do not hold a comprehensive list of voluntary and community sector organisations. The landscape of the voluntary and community sector is constantly changing and without a dedicated resource it would be impossible to keep up to date with these changes.

However, we do have established channels of communication with voluntary and community sector leaders and networks, which we use whenever we wish to engage a wide audience of organisations and their users.

In this instance, we contacted NCVS to ensure that information about the consultation and a link to the survey was shared. We also sent out information to internal teams for distribution through their networks of third sector contacts. These email networks reach hundreds of contacts in community-based groups. Our social media campaign to promote the consultation was also widespread and consistent throughout the consultation, including being shared on local neighbourhood pages.

In terms of access to the consultation process, we provided a number of routes through to enable citizens to have their say. In addition to the online version a hard-copy paper version in libraries, to which we signposted our communities team, we also held a number of online

consultation meetings at which participants could ask questions about the proposals, which again were advertised through social media, newsletter and email distribution. We held a number of in-person events in the four corners of the city.

Meanwhile, the online consultation landing page on the Engage Hub provided updates on the consultation process and information on meetings, as well as how to get help with any access and inclusion needs to participate in the survey, e.g. if someone needed help with translation.

We received a small number of complaints regarding the consultation process, mostly in relation to accessing links to the survey or associated documents which were addressed quickly by the team and led to improvements in the process. However, none of these complaints came from voluntary or community sector groups or were concerned with the participation (or lack of it) of these groups in the process.

The consultation gathered 847 responses. Whilst anyone in the city could respond, it is of note that this is over 2.5 percent (2.64%) of potential respondents assuming one respondent per potentially licensable property within the designation (32,000 assumed). This is a very robust sample size considering the specialist nature of Selective Licensing. By comparison the annual Citizen's Survey samples 2,000 responses, and the annual Respect Survey samples 2,800. Both are used for evidence-based decision-making by the Council.

5. Considered disadvantaged groups

It is important to clarify the context within which licensing operates in relation to considering disadvantage groups. Licensing regulates a product, not those that live in it. Licensing does however improve the PRS for everyone who lives in it and those that live near it. It equalises access to services by its proactive approach but does not hold data on landlords or tenants in relation to the dynamic of the sector by ethnicity or protected characteristics.

Licensing is proactive in its application, therefore the needs of disadvantaged groups are more likely to be identified through the proactive approach that licensing provides, such as its powers of entry and work with partners to identify crime and exploitation, i.e. modern slavery and safeguarding.

Data we collect is about landlords and properties not tenants, however an equalities impact assessment was completed for the May 2022 Executive Board (Appendix 4).

Alongside proposals for a 2nd scheme the Council will also be providing:

- a reviewed and updated equalities impact assessment (EIA) and
- a carbon impact assessment (CIA) (Appendix 5)
- a data protection impact assessment (DPIA)

- **Appendix 1-** Fee Comparison with Five Other Schemes Sept 2022
Please note, direct comparisons with other Councils are not straight forward, as each Council has differing priorities, staffing structure, costs etc. so they can only be used as a guide.
- **Appendix 2 -** Selective Licensing Consultation Activity Results Summary August 22
- **Appendix 3 -** Selective Licensing Draft Thematic Comments and Responses 02.09.22
- **Appendix 4 -** EIA Selective Licensing (May 2022 Exec Board report)
- **Appendix 5 -** Carbon Impact Assessment Selective Licensing