

# Selective Licensing 2023 – Consultation report & findings

## Purpose

To share findings of the Selective Licensing consultation.

## Background

Nottingham City Council launched a 12-week public consultation to propose the introduction of a new Selective Licensing scheme for privately rented houses.

Launching on Monday 30 May and ending on Sunday 21<sup>st</sup> August 2022, the consultation was city wide and in particular sought views from Nottingham City residents and landlords/agents of private rented properties within the City.

## Methodology

- An online survey promoted through various channels including @MyNottingham, @NottmRenters and various local community social media pages utilising both organic and paid advertising inviting respondents to give their thoughts on a new Selective Licensing scheme for privately rented houses
- A number of in-person and online engagement events via Microsoft Teams
- A letter to Leaders and Chief Executive Officers of neighbouring authorities requesting their views and completion of the online survey
- A letter to strategic partners such as universities, fire and police requesting their views and completion of the consultation survey
- All responses have been consolidated and subject to thematic analysis

## Participation and survey responses

There have been a total of 847 responses via survey plus circa 200 attendees at our in-person events in the City Centre, at Hyson Green, Bulwell and Clifton and online events and forums hosted on Microsoft Teams.

## Proposals

Nottingham City Council is putting forward a proposal to introduce a new Selective Licensing scheme for privately rented houses.

Privately rented housing has grown considerably within Nottingham and is an important part of providing a range of housing in the city, so it is important that the properties:

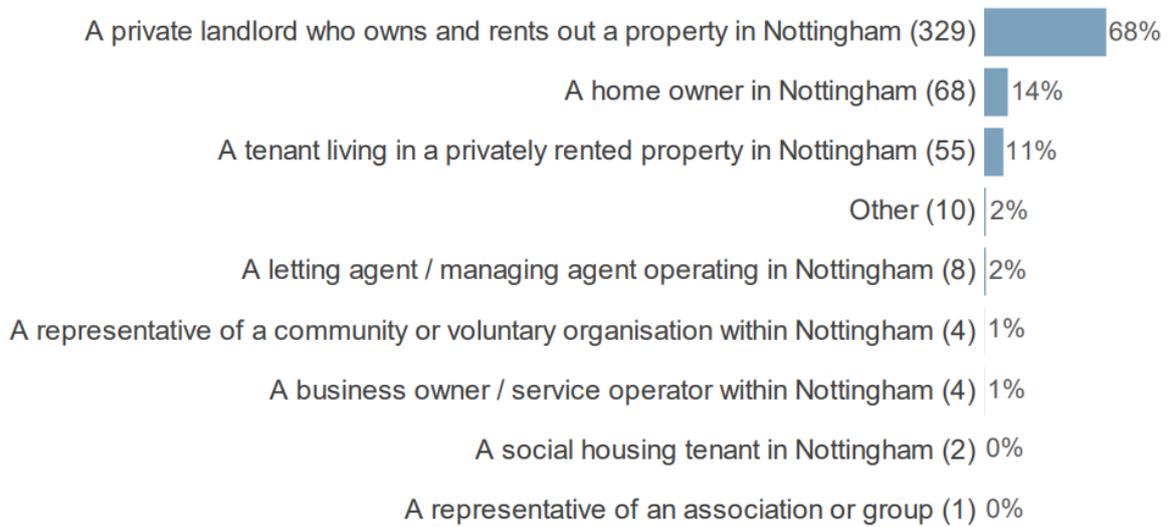
- Are of a good standard
- Are well managed

A Selective Licensing scheme would help to:

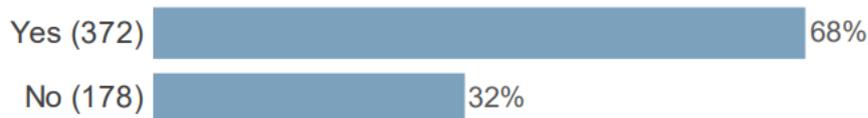
- Improve property conditions
- Improve the quality of our neighbourhoods, to support safe, inclusive and cohesive communities.

## Survey questions

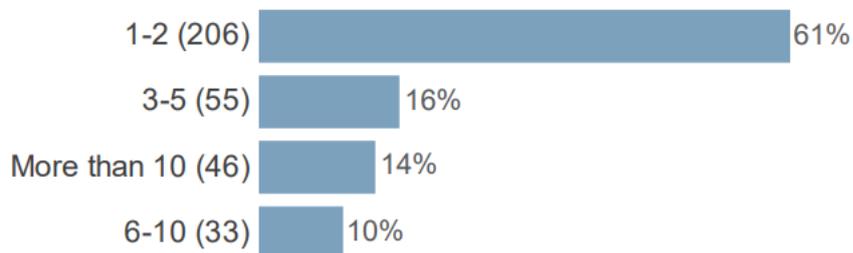
### Are you responding as...



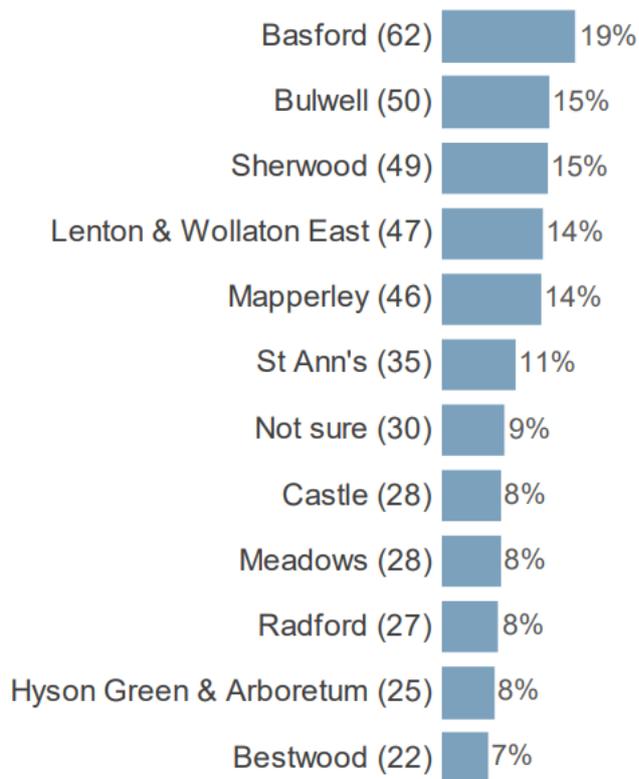
### Are you a resident of Nottingham?



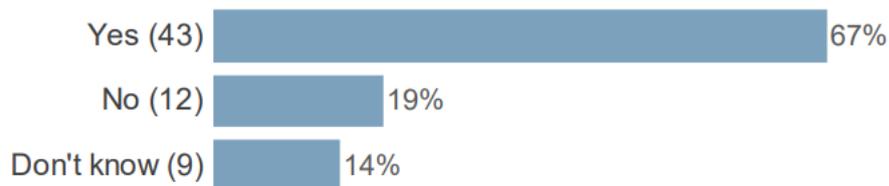
### Please tell us how many properties you currently own or manage



## Please let us know where the properties you own or manage are located



## Do you live in a property in a property covered by the proposed scheme?



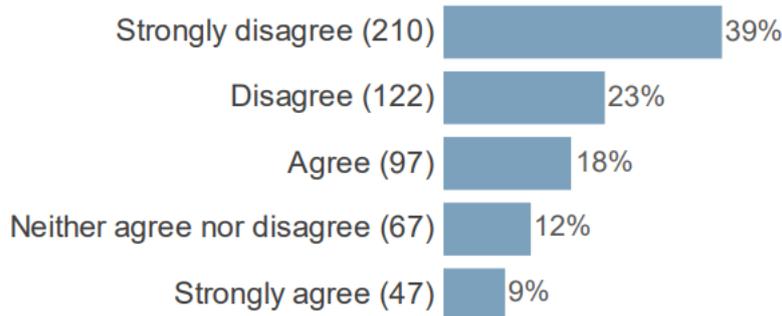
## Do you already have selective licensed properties?



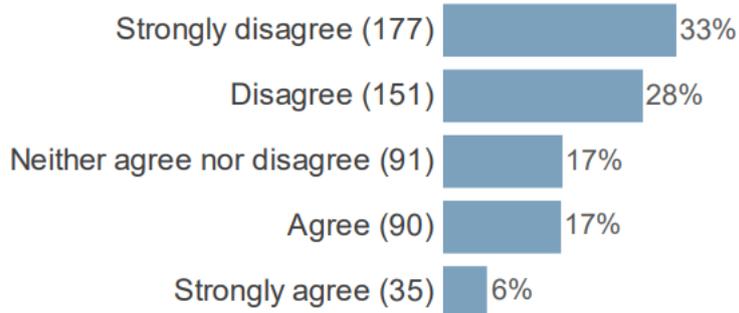
### Are all or most of your properties within the selective licensing area?



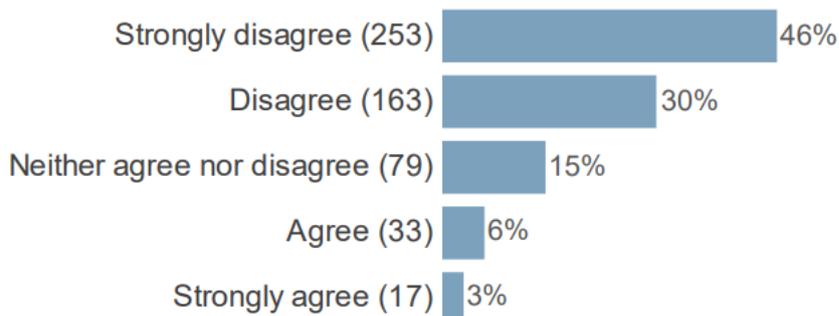
### The overall proposal for licensing is a good one



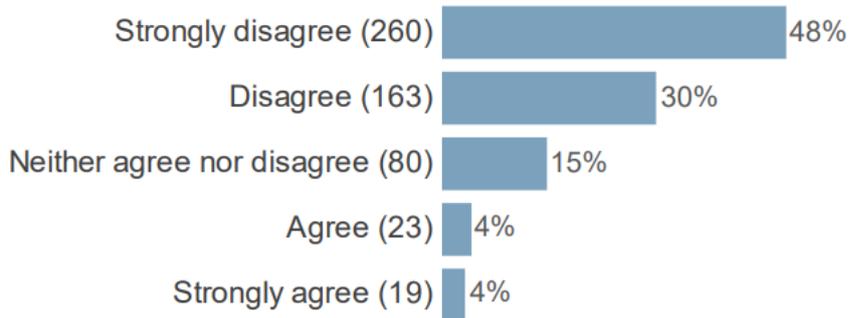
### The proposed selective licensing scheme will improve the condition of privately rented properties in Nottingham



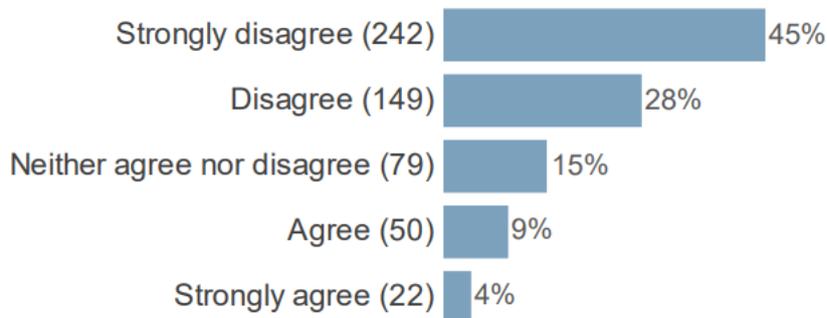
### The proposed selective licensing scheme will reduce anti-social behaviour in and around privately rented properties in Nottingham



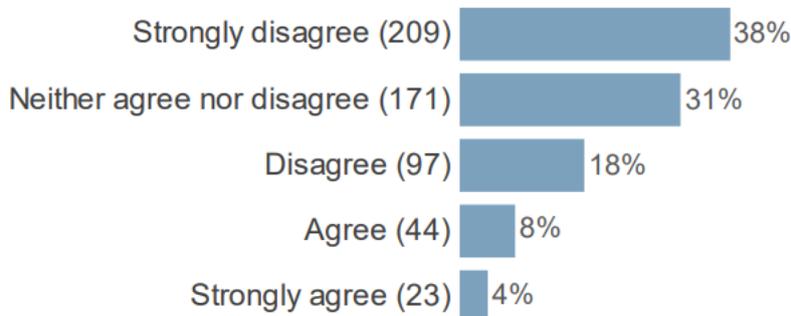
**The proposed selective licensing scheme will reduce crime in and around privately rented properties in Nottingham**



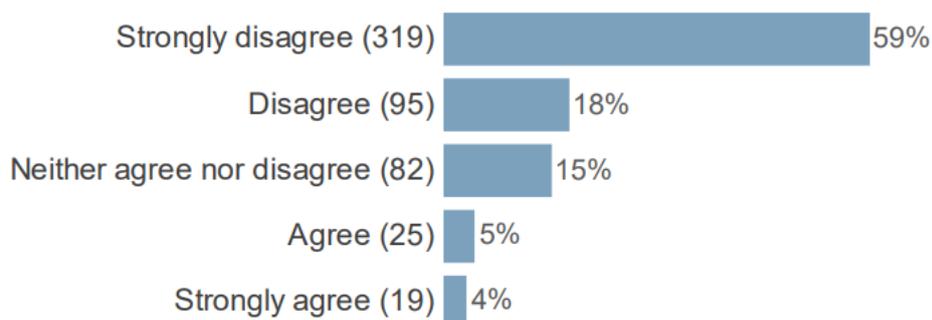
**The proposed Selective licensing scheme will reduce deprivation in and around privately rented properties in Nottingham**



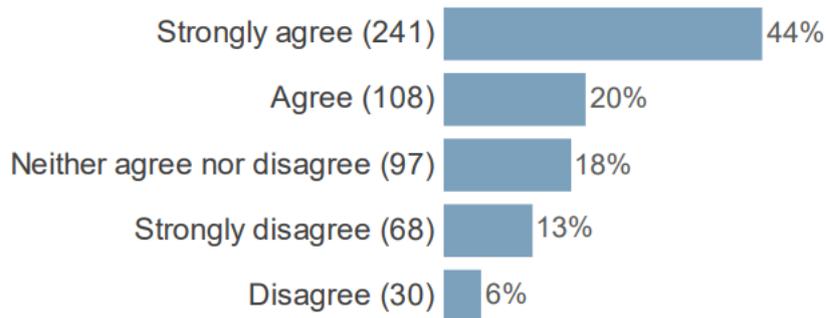
**The proposed designation area of the scheme is the right one**



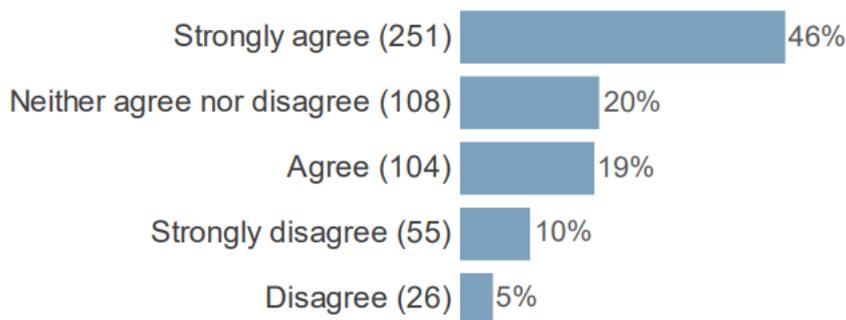
**The fee structure proposed for the scheme is fair and proportionate**



## Accredited landlords should pay a lower fee



## Non-compliant landlords should pay a higher fee



The most common concern for both landlords and tenants which came up approximately 300 times is that the proposed scheme will raise rent prices. Some have suggested a correlation between the first scheme's implementation and a large increase in rent for private rented accommodation and some landlords are confident that this will increase the already large number of private landlords selling up and leaving the market.

*"This will lead to further rent increases and exacerbate an already precarious situation for many tenants."*

*"The last licence scheme forced me to put up the rent. My tenants were understandably upset and confused as I keep the house in good condition as do they."*

The suggestion that this was a tax on landlords came up 100 times, with some following up to add that the licence being per property and not per landlord makes them define it as a tax.

*"It is in essence just a tax on landlords by the council"*

*"Why is the scheme licensing landlords yet charging per property? If it is about landlords, then register the landlords and cost should be just "PER LANDLORD".*

Another concern shared amongst Landlords is that they currently saw no repercussions for not joining the scheme, and that most 'rogue landlords' will simply not join.

*"Very little proof of rogue landlords being in the scheme"*

*"Rogue landlords have found ways around the scheme or still not signed up"*

There were around 50 comments citing a lack of evidence for the first scheme achieving its desired effects. These answers were mainly given to the question of lowering antisocial behaviour, crime and deprivation.

*“You make quite serious claims about the positive effects of the scheme, but I haven't seen any real evidence to back them up”*

*“I would like to see compelling evidence that this has been the case for the existing scheme”*

The most agreeable proposal was accredited landlords paying a lower fee and non-compliant landlords paying a higher fee. Many of the landlords responding felt aggrieved that they are doing everything right and paying the same fees as landlords that are making little effort to provide safe housing.

*“Any non-compliant landlords should be heavily penalised to bring them in line with the required standard.”*

*“If after warnings standards do not improve a higher fee should be levied”*

*“Nottingham Trent University's view is that those accredited and show best practice and the willingness should be supported in doing so with incentives for good management”*

*“Everybody should have a right to live in a decent home. The harshest penalties should be applied to slum landlords”*

*“You are punishing all landlords, most of whom are serving the important purpose of providing housing supply, by adding this huge extra cost. Instead consider severely punishing those landlords who are providing poor quality and/or unsafe housing.”*

There were 50 responses calling for more effort to be put into identifying and tracking down rogue landlords using legislation that already exists rather than implementing a scheme that affects all landlords.

*“Just make it easier to report rogue landlords to a helpline that is all is needed”*

*“There are only a few "rogue landlords" so set up a proper system for finding them and issue them with orders forbidding them from owning and operating properties within the city, either directly or through nominees. Existing laws should be used not new schemes targeted at everyone.”*

The topic of inspections came up 21 times with a mixture of both negative and positive comments. The negative comments are mainly stating that not enough inspections have been conducted, whilst there are many agreeing that inspections can be very helpful and that all landlords should have their properties inspected.

*“I have changed my mind about the scheme since it began. I am in favour of it now & I feel that certain elements of it have made me a better landlord. In particular, the inspection regime ensures that repairs not reported by the tenants are spotted & dealt with.”*

Overall, there is an acknowledgement that rogue landlords do exist in Nottingham and that some properties are not up to the legal standard however the substantial majority are not confident that the selective licensing scheme is going to be successful in combating this.

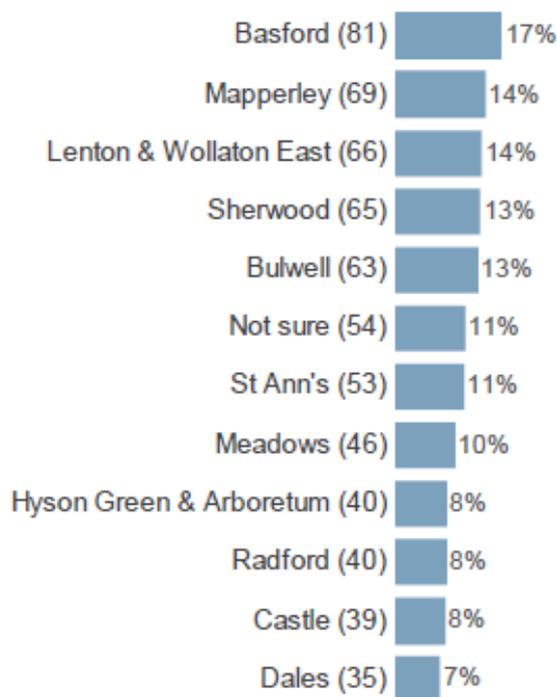
*“Only strong, effective enforcement will do this, Rogue landlords will always be rogue landlords until stopped”*

66% of survey respondents were private landlords who own and rent out a property in Nottingham. 14% were homeowners in Nottingham and 12% were tenants living in a privately rented home in Nottingham. 2% were representing community or voluntary organisations and 1% were social housing tenants in Nottingham.

69% of survey respondents were Nottingham residents and 61% owned or managed 1-2 properties, 17% owned or managed 3-5 properties, 14% owned or managed more than 10 properties and 9% owned or managed 6-10 properties.

The areas represented by the most respondents were Basford 17%, Mapperley 14%, Lenton and Wollaton East 14%, Sherwood 13% and Bulwell 13%

**Please let us know where the properties you own or manage are in Nottingham. Below are a list of Council wards in Nottingham** (tick all that apply. You input postcodes HERE to find out which ward the property is located in)



62% of survey respondents lived in a property which would be covered by the proposed scheme. 91% of respondents already had selectively licensed properties.

40% of respondents strongly disagreed with the proposal 22% disagreed, 11% neither agreed nor disagreed. 18% Agreed with the proposal and 8% strongly agreed.

### **Strategic Partners and Private Rented Sector Organisations**

Other respondents included strategic partners such as Nottingham City Homes, Nottingham Trent University, Nottinghamshire Police and Private Rented Sector organisations such as East Midlands Property Owners (EMPO) and the National Residential Landlords Association (NRLA).

**The University of Nottingham** endorsed the proposed scheme and amongst its recommendations noted that it should:

*“interact with and complement the emerging Student Living Strategy being developed in partnership between the City and the universities. As part of this, partners should ensure ongoing and meaningful engagement with both university Students’ Unions” The University also asked that “Nottingham City Council reconsider its information sharing approach so that the University can quickly and effectively support efforts to respond to student related issues” - of antisocial behaviour.*

**Unipol Student Homes:**

*“is broadly supportive of selective licensing but would suggest this new scheme needs closer targeting at known poor quality landlords or those properties (a few thousand by the Council’s own estimate) that escaped scrutiny throughout the first scheme. The Council’s strategic partnership approach would bear considerably more fruit if Council resources were focussed on hard-to-reach landlords, with wider accreditation being promoted and utilised for the more compliant landlords. This promotion could be achieved by incentivising greater take-up of accreditation through greater reduced licence fees, with lower fee income to the Council netted off against the known lower cost of inspection and enforcement for these landlords who are already acknowledged as less resource-intensive with only 10 percent of properties being inspected versus 50 percent for non-accredited landlords”*

*“The importance and use of collaborative partnerships can be seen in the inspection and outputs measured through that partnership.*

*Nottingham City Council’s Selective Licencing Scheme Review Update February 2022 detailed that during the 2018 – 2023 scheme:*

- *over 600 properties were inspected by the Council, with over 270 improved through pre-licensing inspections (before March 2020, national lockdown)*
- *2,155 external inspections took place*
- *25% of compliance inspections led to properties being improved*
- *47 civil penalty notices and 13 landlords were prosecuted*
- *27,292 licences were issued*

*Under accreditation the outcomes measured over the same period were:*

- *2,315 inspections were undertaken*
- *1,700 hazards were identified and removed*

**Nottinghamshire Police** are completely supportive of a new scheme:

*“I know the benefits that this can bring in terms of reducing Crime and Anti-social behaviour by working in partnership”*

The **National Residential Landlords Association** states:

*“Licensing is a powerful tool. If used correctly by Nottingham Council, it could resolve specific issues. We have historically supported/worked with many local authorities in the introduction of licensing schemes (additional and selective) that benefit landlords, tenants and the community. From what has been presented here and from experience, there is still work needed to be done to make a scheme work”*

**East Midlands Property Owners** states:

*“our client considers that there is no robust case made that a further licensing scheme. The evidence provided in Annex 1 of the report makes a clear case as to the issues that arise with reference to the legislative requirements for licensing. However, it entirely fails to make a case as to how licensing will address or ameliorate these problems. It is notable that section 12 of Annex 1 despite having a title indicating that it will indicate how licensing will meet council objectives it does no such thing, simply referring to “compelling” evidence which has not in fact been presented at all. It is also notable that nothing in the report addresses how problems with the existing scheme will be addressed, or even acknowledges that such problems exist. Likewise, there is no consideration as to why the existing scheme has not seen any substantial improvement or a realistic assessment of how a further scheme will have a different outcome”*

**Nottingham City Homes:** *Strongly agreed that the overall proposal for a second scheme of selective licensing is a good one.*

*“The proposals for a new scheme are to be welcomed. The existing scheme has worked well but has clearly undergone a thorough and detailed review to inform these proposals. We believe that Selective Licensing has served to drive up the standards of private rented properties in Nottingham, to the benefit of those who live in those homes, others who live nearby in the neighbourhoods concerned, and indeed landlords, who benefit from the scheme since it helps prevent landlords who seek to rent safe and decent quality homes being undercut by the minority who may have little interest in offering homes that of good and safe quality”*

*“Anti-Social Behaviour (ASB) blights neighbourhoods and the lives of people who live near properties where people engage in ASB. In the past our experience was that many landlords resisted taking any responsibility for the behaviour and actions of their tenants. This did not help tackle ASB in the city. Instances of ASB were also commonly associated with certain privately rented properties. The nature of the scheme serves to help make landlords and agents take ASB more seriously, since the risk of breaching licenses creates a useful financial incentive to engage with this issue, and work with the local agencies to help reduce and prevent ASB. The scheme makes it easier for enforcement agencies to trace those responsible for the management / ownership of the properties, and indeed helps neighbours establish where that responsibility lies when they need to take action – for example if their home or streets is blighted by the anti-social activity of others”*

*“The scheme would be easier to understand for property owners, tenants and neighbouring residents if the boundary was co-terminus with the local authority boundary. Ward boundaries are not usually familiar local boundaries to most people and are often not even co-terminus with the concept of neighbourhood areas. We would thus favour a city-wide scheme. A minor comment is that we would favour more choice in when payments can be made. This is an ‘operational’ comment rather than an observation on fairness / proportionality”*