

Nottingham City Council

Overview and Scrutiny Committee

Minutes of the meeting held at Loxley House on 12 October 2022 from 2.00 pm - 4.06 pm

Membership

Present

Councillor Georgia Power (Vice Chair)
Councillor Patience Uloma Ifediora
Councillor Gul Nawaz Khan
Councillor Jane Lakey
Councillor Anne Peach
Councillor Angharad Roberts
Councillor Andrew Rule

Absent

Councillor Samuel Gardiner
Councillor Carole McCulloch
Councillor Merlita Bryan
Councillor Corall Jenkins
Councillor Sajid Mohammed

Colleagues, partners and others in attendance:

David Hobbs	- Selective Licensing Manager
Dan Lucas	- Housing Strategy and Partnerships Manager
Councillor David Mellen	- Leader of the Council
Pete Mitchell	- Head of Regulations
Councillor Toby Neal	- Portfolio Holder for Housing and Human Resources
Councillor Ethan Radford	- Executive Assistant for Housing and Cleansing
Laura Wilson	- Senior Governance Officer

28 Chair

In the absence of the Chair, Councillor Sam Gardiner, the Vice-Chair, Councillor Georgia Power, chaired the meeting.

29 Apologies for absence

Councillor Sam Gardiner – leave
Councillor Corall Jenkins – personal
Councillor Carole McCulloch – unwell
Councillor Sajid Mohammed – personal

30 Declarations of interests

Councillor Gul Khan declared an interest in agenda item 5 (minute 33) – Selective Licensing, as a landlord impacted by the Scheme and left the room for the remainder of the meeting.

Councillor Georgia Power informed the Committee that she was a tenant in an area proposed for selective licensing, but this did not preclude her from speaking on the item.

31 Minutes

The minutes of the meeting held on 7 September 2022 were confirmed as a true record and signed by the Chair.

32 Together for Nottingham Plan - Progress update by the Leader

Councillor David Mellen, Leader of the Council, gave a presentation on progress made on the priorities in the Together for Nottingham (TfN) Plan, the TfN Plan refresh, the Devolution deal, and the increased powers of the Improvement and Assurance Board (IAB), and highlighted the following points:

- (a) The TfN Plan was written in response to the findings of the Non-Statutory Review for a three year period. It was approved in January 2021 and refreshed in January 2022. It details Member/Officer leads for each theme and regular monitoring is undertaken by IAB. The Plan covers activity over eight themes:
 - MTFS
 - Asset Management
 - Companies
 - Capital Programme
 - Constitution (Governance and Decision Making)
 - Organisation and Culture
 - Service Design and Delivery (Transformation)
 - Council Plan.
- (b) In June 2022 a 'Minded to' Decision was issued outlining the potential for Commissioners to be appointed, but in September 2022 the Secretary of State decided that Commissioners wouldn't be appointed and Directions were issued alongside a statutory footing for the IAB. There is a requirement to refresh the TfN Plan within three months, with a further report at the end of three months for the Secretary of State to review the commissioner position. The intervention is due to be in place until 1 September 2024.
- (c) The IAB set out seven areas of focus in its Statement of Requirements, which includes Governance, Finance, Transformation, Companies, Housing, Workforce Plan, Corporate and Service Planning, so there are no new areas and work has already been undertaken on all of them to date. An Officer and member lead assigned to each action and a weekly CLT meeting will take place to review progress on the 67 requirements. The IAB will meet monthly to review progress and highlight areas of further focus, but there are ongoing meetings outside of the IAB format to update IAB members of progress.
- (d) The refresh of the TfN Plan is included in the Directions requirement by 30 November 2022, and the steer from the IAB is that this should focus on incorporating:
 - Further actions from Statement of Requirements
 - HRA / Ofsted
 - Further context on intervention/devolutionand a policy document is due at Full Council on 31 October 2022.

- (e) Recent progress includes:
- Work on revising MTFP to timetable, incorporating the cost of living impacts
 - Ongoing work to bring NCH in house
 - Approval of a revised senior officer structure
 - Accelerated Development Programme (Cohort 1 completed September 2022, Cohort 2 underway)
 - Colleague Opinion Survey
 - Future Ways of Working Consultation
- (f) The Devolution deal has been signed, which is the second County deal in the country, which gives us powers around growth, infrastructure, jobs and transformation. Consultation on what it will do will commence after Council on 31 October 2022, and it will go back to Council in the new year. It is planned for a Mayor to be elected in May 2024.
- (g) A new Interim Director of Housing has been appointed to help with the in-housing of Nottingham City Homes. Significant consultation is ongoing with tenants and staff, and concerns are being addressed. Transferring the housing function back to the Council is on track to be delivered by the beginning of the new financial year.

During the subsequent discussion and in response to questions from the Committee the following points were made:

- (h) The 67 requirements haven't been RAG rated, but progress is being closely monitored. The budget is the biggest challenge due to inflation and the cost of living impact.
- (i) Even with the regular overspend and recent Ofsted rating in Children's Services, the transformation plan is on track and will make the improvements and savings identified.
- (j) Only three responses have been received to six quarterly reports under the previous government.
- (k) The current level of delegations for decisions does not slow down the decision making process, but levels will be reviewed every six months.
- (l) The recruitment and retention of staff is a national issue, but the first step is to get the pay award agreed and then look at where additional money may be required to attract the right people to the roles.
- (m) The Devolution deal means that the city is gaining powers from the government rather than losing any, with the exception of transport strategy, which we need to ensure that what is already in place is protected.

Resolved to request that the Leader provide an update on the progress made on the 67 requirements at the next meeting.

Councillor Gul Khan left the meeting for the remaining items.

33 Selective Licensing

Councillor Toby Neal, Portfolio Holder for Housing and Human Resources, gave a presentation detailing the responses to the consultation carried out, and how these will influence the final proposals presented to Executive Board, and highlighted the following points:

- (a) There are three types of licensing schemes in relation to private rented sector housing:
 - Mandatory House in Multiple Occupation (HMO) Licensing which is a national scheme introduced in 2006 that local councils have to carry out. It applies to private rented sector properties shared by five or more people from more than one household.
 - Additional HMO Licensing which was first introduced in certain parts of Nottingham in 2014 where the Council has evidence of a need to improve standards of quality and safety. It applies to private rented properties shared by three or more people from more than one household.
 - Selected Licensing which was first introduced in parts of Nottingham in 2018 where the Council has evidence of a need to improve standards of quality and safety. It applies to private rented sector properties with one household.
- (b) The current Selective Licensing scheme was approved by the Secretary of State in February 2018, and runs from August 2018 to July 2023.
- (c) In relation to the proposed second scheme, Executive Board gave permission to go out to consultation in May 2022. The consultation ran from May 2022 to August 2022, and a post consultation report is due to be considered by Executive Board in November 2022. If the scheme is agreed, it will be submitted to the Secretary of State in December 2022.
- (d) The current scheme covers 52% of the city, with a total of 32,000 licensable properties, which equates to 90% of licensable properties in the city.
- (e) The proposed scheme covers 40% of the city, with a total of 30,700 licensable properties, which equates to 79% of licensable properties in the city.
- (f) Lessons have been learnt from scheme one, which has resulted in the following changes:
 - An improved and streamlined application to make the process smoother for landlords and licence properties quicker, which allows more focus on compliance interventions.
 - The introduction of block licences (in 2019) for larger buildings with multiple flats with the same owner or manager, as a quarter of all licensed dwellings are within a block.
 - Digital by default for application forms created difficulties for some landlords so the Council offered support at some of its buildings, eg libraries, and a paper application form.

- New processes to deal with the significant, and above expected levels of freedom of information, temporary exemption and overseas landlord applications that have been received.

(g) The proposed fees are:

Description	Comments	Proposed fee (subject to change as based on current financial year)
Individual Accredited	The proposed licence holder is accredited with the Nottingham Standard (Unipol, DASH or ANUK)	£630
Individual Standard	For non-accredited landlords	£820
Individual Less Compliant	For less compliant non-accredited landlords	£1110
Block Accredited	The proposed licence holder is accredited with the Nottingham Standard (Unipol, DASH or ANUK)	Base £1,125 Per Dwelling £480
Block Standard	For non-accredited landlords	Base £1,840 Per Dwelling £495
Block Less Compliant	For less compliant non-accredited landlords	Base £2,295 Per Dwelling £480

(h) If a landlord increased their rent to pay for selective licence application in first scheme, then they won't need to increase rent to pay for the application again, as it's already covered in the rent.

(i) The scheme represents value for money because:

- It is self-funding.
- It helps deliver on the Strategic Council Plan (2021-23)
 - Clean and Connected Communities
 - Carbon Neutral by 2028
 - Safer Nottingham
 - Healthy and Inclusive
 - Better Housing
- The funds meet the costs incurred by the Council in Legal, Finance, IT and Communications that ensure the scheme is delivered.

(j) The criteria for proposing a scheme in Nottingham is based on Housing Act 2004 criteria – a significant proportion of private rented properties, and poor property conditions, high ASB, high crime and high deprivation.

(k) The scheme is contributing to key outcomes:

- 1,324 property improvements at 952 properties.

- A significant reduction in the worst EPC rated properties (E, F and G), compared to when the scheme began.
- A high level of accredited higher standard properties.
- 2,409 property improvements by partners.
- The removal of rogue and criminal landlords through inspection/enforcement.
- 65 civil penalties issued and prosecutions of 27 offences relating to Selective Licensing.
- The tackling of ASB with significantly reduced resolution times.
- The implementation of waste management and ASB plans with intervention as required.
- Collaboration with landlords who want to improve their properties through forums, newsletters and access to partner training programmes.

(l) Selective Licensing is a key tool which achieves its aims by:

- Complying with all relevant legislation.
- Ensuring safe homes for people to live in.
- Helping the city and partner agencies tackle nuisance and ASB relating to or emanating from residential property.
- Helping ensure the city's rented homes are maintained to good standard, enhancing the quality of private rented housing available to people in Nottingham.

(m) Accredited landlords provide properties at a higher standard than the legal requirement and by incentivising accreditation through a reduced licence fee there has been exponential growth in the number of accredited landlords and therefore better quality homes. The number of accredited landlords rose from 299 in January 2018, to 1,500 in September 2021 – 501% increase.

(n) The average number of days to resolve an ASB complaint reduced from 116 to 14.

(o) In relation to the consultation for the proposed second scheme:

- It was extensive and wide-spread over 12 weeks, which is two weeks longer than the minimum requirement of 10 weeks.
- Colleague in Communications and Marketing were engaged to provide their expertise. The Engage Hub was also utilised.
- Engagement included:
 - Online
 - Face to face in easily accessible locations across the city
 - Accessible versions available at all libraries and from the Council on request
 - 847 respondents completing the consultation survey
- Examples of promotional activity include:
 - Press releases
 - Social media promotion
 - Nottingham Arrow article
 - Direct emails to current licence holders
 - Direct emails to partners

- (p) An Equalities impact assessment (EIA) for the scheme was undertaken for the May 2022 Executive Board report to understand its impact on disadvantaged groups.
- (q) Selective Licensing is a proactive regulatory tool to require licence holders to meet minimum standards in all properties in the area and creates a minimum bar to what is required for those renting.
- (r) Not all tenants know how to complain or who to complain to due to language barriers, complex lifestyles, lack of knowledge, what the standards should be, etc, and licensing supports the most vulnerable, in the worst accommodation by regulating the standards within which they are required to live.

During the discussion which followed, and in response to questions from the Committee, the following points were made:

- (s) Approximately a third of landlords are based outside of Nottingham, but there are a number of data sources that can be used to trace them, and the scheme now means that they have to have a local agent in place.
- (t) Heating forms part of the EPC requirement, but not all landlords were compliant so it was added as a criteria in the scheme. Landlords are not allowed to rent a property if it has an EPC rating of E or below.
- (u) The Safer Housing Team will continue to deal with all complaints regarding housing, so that should ensure that those properties not covered by the second scheme do not deteriorate in standard. Any licences issued under scheme one are in place for 5 years from the date they are issued, so that also provides to protection of standards for properties not covered in scheme two.
- (v) The number of rental properties in the city has increased, so the scheme has not deterred landlords from the city. Some poorer quality landlords have left the market due to not being able to bring their properties up to standard and enforcement action being taken against them.
- (w) The income from Selective Licensing is ring-fenced to be spent on the licensing and can't be spent on anything else.
- (x) The effectiveness of scheme one can't be fully analysed until nearer to the end of it, but the improvement in standards is visible, which is why scheme two is being proposed.
- (y) Rent rates have been monitored, and increases are due to supply and demand and cannot be attributed to the licensing scheme.
- (z) Accredited partners carry out more inspections than the Council as they cover the whole of the city rather than just the areas covered by Selective Licensing. They also inspect to a higher standard than the Council as the focus for licensing is safety.

- (aa) There has to be a minimum of 19% private rented sector housing in an area for it to be included in the scheme, which some areas of the city do not have.

Resolved to request that

- (1) Work is done to monitor the impact on areas being removed from the scheme, and those not covered by the scheme, and provide information on what is done to ensure standards are maintained/met in those areas.**
- (2) More detailed information on the different approaches to inspections by the Council and accredited partners, and how inspections may evolve in the second scheme is provided.**

34 Recommendation Tracker

The Committee considered the responses to the recommendations made at the May, June and July 2022 meetings, and expressed disappointment that not all recommendations had been responded to.

Resolved to request that the Senior Governance Officer write to Portfolio Holders to express the Committee's disappointment that responses haven't been received.

35 Work Programme

The Committee considered its work programme for the remainder of municipal year 2022/23, and asked for a further update on progress on the 67 requirements from the IAB to be scheduled for the next meeting.

Resolved to add a written update on progress on the 67 requirements from the IAB to the agenda for the next meeting, with any questions being asked to the Leader when he attends the December 2022 meeting.