

# Nottingham City Council Delegated Decision



**Nottingham**  
**City Council**

Reference Number:

2380

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Development

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Subject:

Resources required to develop a proposal for citywide licensing of private rented homes

Total Value:

£127,600 (Type: Capital)

Decision Being Taken:

- 1.To approve expenditure on a number of elements required in order to fully evidence, develop and consult upon a proposal for a scheme of city-wide licensing of private rented homes. It is proposed that these costs are met from historic grant funding returned to the Council via land charges placed on the properties where grants were received.
2. Delegate approval to the Corporate Director to enter into contract with Building Research Establishment (BRE) for the reasons set out below
- 3.To obtain a dispensation from Contract Procedure Rule 5.1.2 in accordance with Finance Regulation 3.29 to enable a direct award to BRE.

**Reasons for the Decision(s)**

It is a key objective of the Council Plan 2015-19 to introduce a citywide licensing scheme for the private rented sector. This is part of an overall ambition within the plan to enable Nottingham residents to have access to a high standard of accommodation, whether renting or buying. It is believed that in spite of the numerous powers used and initiatives hereto implemented there is a need for licencing in order to bring about the improvement in the private rented sector which the Council wishes to see.

There are two key steps in the development of a proposal for licensing; (1) Evidencing the need for a scheme and (2) consulting with citizens and stakeholders on the proposal. In terms of evidence there are a number of sources available to the council which will provide data and intelligence to show the need for licensing. However the major gap in the evidence base is up to date stock condition information. The last survey undertaken was in 2006 and it is essential that the council has a fully updated picture of private sector housing conditions in the city to support its case for licensing. It is proposed therefore to purchase the package for stock modelling provided by the Building Research Establishment (BRE). BRE is a formerly Government-owned service which now operates independently but on a not for profit basis.

The BRE model is recognised as the industry standard and has been used by a large number of local authorities. It is less expensive than a traditional stock condition involving a sample of property inspections and also believed to be more accurate given that it is based on all properties in the area, not just a sample, and does not suffer from the potential inconsistencies of a survey comprising inspections of wide ranging quality and interpretation. The full package, which it is recommended the council purchases has been costed at £44,200. This is at a discounted rate which is possible because two other nearby authorities (Ashfield and Newark & Sherwood) are also purchasing the survey. This, and additional costs are shown in full in the attached budget document. Most of the other costs are internal recharges for services which are additional to mainstream recharges, namely project management for the scheme, time and resources from data analysts within the Crime and Drugs Partnership and Community Protection. There are also the costs of carrying out the extensive consultation required when proposing to adopt a scheme of selective licensing.

**Briefing notes documents:**

Costs for PHD.docx

**Other Options Considered:**

To not carry out a private sector stock condition survey: Rejected because the Department of Communities and Local Government expects that authorities will have a robust evidence base of property conditions in their area if they plan to implement a scheme of selective licensing. The 2004 Housing Act places a duty on authorities to:

"... keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them'.

To not commission BRE to carry out the survey and tender the work: Rejected as BRE is the industry standard. The BRE has overseen the methodology, delivery, analysis and reporting on the English House Condition Survey (now the English Housing Survey) since its inception over 40 years ago. It was a Government department until privatisation in 1997 and then it has continued their work as a building research organisation being commissioned to draft up most of the recent Government Guidance for Local Authorities on undertaking Local House Condition Surveys. There is believed to be one other provider which carries out similar stock modelling, but it focuses only on energy efficiency matters.

**Background Papers:**

None

<b>Published Works:</b>	None
<b>Affected Wards:</b>	Citywide
<b>Colleague / Councillor Interests:</b>	
<b>Dispensation from Financial Regulations:</b>	Yes
<b>Consultations:</b>	Those not consulted are not directly affected by the decision.
<b>Crime and Disorder Implications:</b>	One of the key reasons for the implementation of a selective licensing scheme is to reduce antisocial behaviour. Furthermore, it will mean that rogue landlords will not be able to operate "under the radar"
<b>Equality:</b>	EIA not required. Reasons: A full EIA will be carried out as part of the consultation on the final proposal for the licensing scheme
<b>Decision Type:</b>	Portfolio Holder
<b>Subject to Call In:</b>	Yes
<b>Call In Expiry date:</b>	22/03/2016
<b>Advice Sought:</b>	Legal, Finance, Procurement
<b>Legal Advice:</b>	By virtue of section 3 of the Housing Act 2004 the Council is under a duty to keep the housing conditions in their area under review with a view to identifying any action that may need to be taken by them. In addition the review will assist in providing evidence which is necessary in order to determine extent and justification for any proposed scheme of selective licensing. Schemes based on reliable and up to date evidence will be less susceptible to challenge and more likely to be successful where DCLG approval is required. The expenditure will thus assist the Council in complying with its statutory duties and collating the evidence to support a key Council objective. Advice provided by Ann Barrett (Team Leader) on 28/01/2016.

**Finance Advice:**

The proposal is to spend up to £0.128m to develop a proposal for the citywide licensing of private rented homes, which is an objective of the Council Plan 2015-19. The financing of the proposal is from a fund built up from the repayment of grants made by the council prior to 2010. The grants were made to owner-occupiers for repairs to their properties and are available to be used for this purpose.

This decision requires dispensation from the Council's Contract Procedure Rule 5.1 in accordance with paragraph 3.29 of the Council's Financial Regulations. The dispensation is required in order to award a contract to the supplier specified to undertake the stock condition survey as there is only one supplier able to complete the work in this way.

**Procurement Advice:**

Approval to dispense with Contract Procedure Rule 5.1.2 in accordance with Financial Regulation (3.29) (Operational Issues) to allow for a direct award of a contract for the purchase of a stock modelling package provided by the Building Research Establishment (BRE) is required. Advice provided by Paul Ritchie (Procurement Category Manager) on 08/02/2016.

**Signatures**

Jane Urquhart (Portfolio Holder for Planning and Housing)
SIGNED and Dated: 03/03/2016
David Bishop (Deputy CE, CD for Development and Growth)
SIGNED and Dated: 18/02/2016
Theresa Channell (Head of Corporate and Strategic Finance) - Dispensation from Financial Regulations
SIGNED and Dated: 11/03/2016
Chief Finance Officer's Comments: