

**AREA 7 COMMITTEE – WOLLATON & LENTON ABBEY 4<sup>th</sup> JUNE 2018**

<b>Title of paper:</b>	<b>Proposal for a Scheme of Additional Licensing for Houses in Multiple Occupation</b>	
<b>Director(s)/ Corporate Director(s):</b>	David Bishop, Deputy Chief Executive and Corporate Director for Development and Growth Andy Vaughan, Corporate Director for Commercial and Operations	<b>Wards affected:</b> Arboretum, Berridge, Bridge Dales, Dunkirk and Lenton, Mapperley, Radford and Park, Sherwood, St Anns, <b>Wollaton East and Lenton Abbey</b>
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<b>Other colleagues who have provided input:</b>	Julie Liversidge, Principal Environmental Health Officer, Commercial and Operations <a href="mailto:julie.liversidge@nottinghamcity.gov.uk">julie.liversidge@nottinghamcity.gov.uk</a> tel 8761474	
<b>Date of consultation with Portfolio Holder(s) (if relevant)</b>	Already consulted via Executive Board	

**Relevant Council Plan Key Theme:**

Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input type="checkbox"/>
Planning and Housing	<b>X</b>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>

**Summary of issues (including benefits to citizens/service users):**

This report is to inform the Area Committee for Area 7, Wollaton and Lenton Abbey of the proposal to introduce an Additional Licensing scheme for Houses in Multiple Occupation (HMOs). Executive Board have approved the proposed designation in principle and a public consultation will take place on these proposals between May and July 2018, of which consultation with Area Committees forms a part.

The Council believes that the proposed scheme of additional licensing will provide the following benefits:

- A reduction in the number of complaints and problems of the types identified in the evidence collected;
- Protection of the health, safety and welfare of tenants through improved management of the HMO;
- Reduced negative impacts from HMOs that will benefit the whole community;
- Improved management and, in the longer term, improved conditions of privately rented accommodation will provide quality and choice for residents;
- Licensing will require absentee or unprofessional landlords to employ a professional property management approach to actively manage their properties and ensure suitable arrangements are in place to deal with any problems that arise;

- Good private landlords would also benefit from not having to compete with poor landlords as the Council is looking to promote licensed and accredited landlords and the quality accommodation they offer.
- As with mandatory licensing, additional licensing will bring a number of properties to the Council's attention that would otherwise have gone undetected.
- The new, tiered fee structure will encourage compliance and good landlords whilst ensuring those landlords who are less compliant and require the most resources, rightly and fairly, pay more.

The report outlines the need for an Additional Licensing Scheme, demonstrating the the existence of problems within the proposed designation and how the proposed scheme could help alleviate them. It shows the successes achieved and progress made by the current scheme of Additional Licensing (due to end in December 2018), but that there remains a requirement for such a scheme if progress is to continue and improvements maintained, as part of a robust approach to improving management and conditions in the private rented sector.

**Recommendation(s): For the Committee to:**

<b>1</b>	note the contents of the report; and
<b>2</b>	offer its views on the proposal for a scheme of additional licensing of houses in multiple occupation (HMOs);
<b>3</b>	ask partners to actively contribute to the consultation process.

**1 REASONS FOR RECOMMENDATIONS**

- 1.1 The proposed designation has been arrived at because evidence gathered in accordance with the Department for Communities and Local Government (DCLG) guidance suggests that relevant statutory tests have been met and that Additional Licensing in the designated area would be an appropriate tool to resolve problems.
- 1.2 Ward councillors have been consulted on the proposed scheme and designation.

**2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)**

- 2.1 Nottingham is committed to delivering housing offer that provides quality housing for all, across tenures, in new and existing housing and in all affordability ranges. A key part of achieving this is to ensure improved and consistent safety and management standards in the private rented sector, which continues to accommodate a large number of Nottingham residents from different communities and of different needs and means. The Council believes that Additional Licensing needs to be part of a long-term strategy for improving property and management standards across the private rented sector.
- 2.2 To comply with the Housing Act 2004 and the CLG guidance, both of which require that a *significant proportion* of the HMOs of the proposed description in the area are being managed sufficiently ineffectively, the following methodology was used. The proposed designated area is based around census output areas containing at least

10 or more HMOs that would be covered under the current definition of additional licensing, where 20% or more of those properties have received a complaint or service request between January 2014 and December 2017 concerning:

- Waste and refuse (fly tipping, refuse accumulation, bins on streets)
- Noise
- Housing disrepair, conditions and detriment to amenity
- Overcrowding, fire safety, HMO licensing

The same test was used to evidence the 2014-2018 designation, which was found fit for purpose at Judicial Review.

The proposed designation also accounts for areas with a high number of complaints against HMOs, where progress in effective management is felt to depend on Additional Licensing, or where councillors or stakeholders have raised concern.

The designation is shown in the maps within the consultation document at Appendix 1.

### 2.3 Review of current scheme:

- ✓ Issued 2,458 licences in total to date (April 2018)
- ✓ Improved the conditions of HMOs with the issue of specific conditions and inspections
- ✓ Helped take rogue landlords out of the market and move properties into responsible ownership and management.
- ✓ Reduced ASB in areas that have had a combination of licensing, police and community protection enforcement work.

However

- × The majority of HMOs were below standard at first inspection
- × The majority of HMOs required further conditions to be added to their licence
- × The scheme is still receiving around 30 applications a month in year 5
- × 265 licences have been refused or revoked
- × Landlords of 9 HMOs have been prosecuted and 3 have received Civil Penalty Final Notices

The Council believes that to continue to make improvements in the HMO sector as well as maintain those already achieved, that a further scheme of Additional Licensing is required in Nottingham and that this, along with Mandatory and Selective schemes will provide a consistent and robust approach to improving the private rented sector overall.

### 2.4 Proposed scheme in the Area 7, Wollaton East and Lenton Abbey Ward

- **The proposed designation includes 102 properties in Area 7, with coverage of the area bounded by Wollaton Park, Wollaton Road, triumph road and Derby Road;**

- Although there are HMOs on the Lenton Abbey estate, it is not included as none of the output areas had 10+ HMOs;
- The parts of Area 7 in the existing scheme are also included in the proposed designation;
- Evidence and data gathering suggests that these areas may have performed more poorly or been of increased concern due to displacement from adjoining areas where enforcement activity has been more prevalent.

2.5 The Council is currently consulting on the proposed scheme. Details of the proposal, the evidence to support it and the consultation can be found in the attached report “A Better Quality Private Rented Sector for Nottingham: Proposal for a scheme of Additional Licensing” (Appendix 1).

2.6 The consultation report seeks to demonstrate the outcomes the Council believes will be achieved by the introduction of this scheme and why making an Additional Licensing designation will significantly assist the Council to achieve its objectives and bring benefits to not only tenants but to the wider community. The proposed scheme aligns with the Council’s vision that every neighbourhood is safe, clean and a great place to live.

### **3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS**

3.1 To not propose a further scheme of additional licensing: rejected because there is evidence that there is a need for a further scheme. Five years has not been a sufficient period of time to fully deal with the problems that are being seen in HMOs. Furthermore, to not continue with additional licensing would undermine the Council’s efforts to improve property and management conditions in the PRS, thus enabling all citizens to access a good quality home.

### **4 FINANCE COMMENTS (INCLUDING IMPLICATIONS AND VALUE FOR MONEY/VAT)**

4.1 None – the financial implications of the scheme are contained within the Executive Board Report dated 17<sup>th</sup> April 2018

### **5 LEGAL AND PROCUREMENT COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)**

5.1 None - the legal and procurement implications of the scheme are contained within the Executive Board Report dated 17<sup>th</sup> April 2018

### **6 STRATEGIC ASSETS & PROPERTY COMMENTS (FOR DECISION RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE) (AREA COMMITTEE REPORTS ONLY)**

6.1 None - the strategic asset and property comments on the scheme are contained within the Executive Board Report dated 17<sup>th</sup> April 2018

## **7 EQUALITY IMPACT ASSESSMENT**

7.1 Has the equality impact of the proposals in this report been assessed?

Yes

X

The EIA is as per the Executive Board Report dated 17<sup>th</sup> April 2018

## **8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION**

8.1 None

## **9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

9.1 Executive Board Report dated 17<sup>th</sup> April Proposal for a Scheme of Selective Licensing for Privately Rented Houses.

9.2 A Better Quality Private Rented Sector for Nottingham: Proposal for a scheme of Additional Licensing, May 2018