

Equality Impact Assessment Form

[screentip-sectionA](#)

1. Document Control

1. Control Details

Title:	Proposal to Implement a Scheme of Additional Licensing for HMOs 2019-23
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2. Document Amendment Record

Version	Author	Date	Approved
0.1	Ceri Davies	14.08.2018	
1.0	Ceri Davies	20.08.2018	

3. Contributors/Reviewers

Name	Position	Date

4. Glossary of Terms

Term	Description
Houses in Multiple Occupation (HMOs)	Houses that are shared by more than 3 people who are from 2 or more different households e.g. student houses
Additional Licensing	Where a HMO is within the Council’s Additional Licensing Designation made under section 56 of the Housing Act 2004 and the a landlord has to obtain a licence subject to a set of conditions for each of the HMOs they control. If a property is subject to Additional Licensing it is an offence to let it without a licence.

[screeentip-sectionB](#)

2. Assessment

1. Brief description of proposal / policy / service being assessed

Brief description of proposal / policy / service being assessed:

Additional licensing of Houses in Multiple Occupation (HMOs) is a power available to local housing authorities within the provisions of the Housing Act 2004. Section 56 of the Act allows local housing authorities to designate areas, or the whole area, of their district as being subject to additional licensing in respect of some or all of the classes of HMOs that are not already subject to Mandatory Licensing.

Under the proposed scheme, all HMOs in the Designation, that are not exempt or subject to Mandatory Licensing will require a licence from the Council. There is a fee for the licence (which is the subject of a separate Report and EIA), that is based on the costs of administration and operation of the scheme and licences can be refused or revoked if properties do not meet the management or condition standards required.

The Council is proposing to implement a scheme of additional licensing scheme in a designated area – see Appendix 1.

Continued use of the Additional Licensing powers will provide the following benefits:

- An opportunity to continue to influence higher standards of HMO accommodation and to ensure effective management through more extensive control; and
- Lead to higher levels of citizen satisfaction with private rented sector accommodation within the City.

Nottingham has had a scheme of Additional Licensing in place since January 2014. The scheme has been a success, improving the condition of HMO properties and reducing associated Anti-Social Behaviour (ASB), however it is believed that 5 years is insufficient to bring about and sustain the long term improvements required. Therefore, an evidence gathering and analysis exercise was undertaken to see if a further scheme was required and if so the extent of the designation required. Consultation on the proposed new scheme and Designation was undertaken between May and July 2018, with the decision to consult approved by Executive Board in April 2018 and subject to a separate EIA.

This EIA will therefore consider the points raised previously along with further points raised during the consultation.

References

1. Housing Act (2004) Section 56 - <https://www.legislation.gov.uk/ukpga/2004/34/part/2/crossheading/designation-of-additional-licensing>

screeintip-sectionC

2. Information used to analyse the effects on equality:

- Census 2011 and Household Projections;
- Issues and indications arising from full consultation on the previous scheme of Additional Licensing (2013-18).
- Ethnicity monitoring via Additional Licensing applications.
- Building Research Establishment (BRE) 2016 www.nottinghaminsight.org.uk/f/183870
- May 2018 Consultation on Proposal for an Additional Licensing Designation.

3. Impacts and Actions:

<u>screentip-sectionD</u>	Could particularly benefit X	May adversely impact X
People from different ethnic groups.	X	X
Men	X	<input type="checkbox"/>
Women	X	<input type="checkbox"/>
Trans	X	<input type="checkbox"/>
Disabled people or carers.	X	<input type="checkbox"/>
Pregnancy/ Maternity	X	<input type="checkbox"/>
People of different faiths/ beliefs and those with none.	X	X
Lesbian, gay or bisexual people.	X	<input type="checkbox"/>
Older	X	<input type="checkbox"/>
Younger	X	X
Other (e.g. marriage/ civil partnership, looked after children, cohesion/ good relations, vulnerable children/ adults).	X	<input type="checkbox"/>
<i>Please underline the group(s) /issue more adversely affected or which benefits.</i>		

<p><u>screeintip-sectionE</u> How different groups could be affected (Summary of impacts)</p>	<p><u>screeintip-sectionF</u> Details of actions to reduce negative or increase positive impact (or why action isn't possible)</p>
<p><u>Summary</u></p> <p>The most significant difference in impact will be between the two groups that Additional Licensing directly affects most – tenants and landlords; to a lesser though still significant extent it will also impact members of the broader communities that have a high number of HMOs and are covered by the designation.</p> <p>As groups, HMO tenants and HMO landlords are diverse and consideration must be given to whether any potential benefit or adverse impact of the scheme relates to the tenant/landlord/community overall or to a particular equality strand represented within them.</p> <p>The positive impact of the scheme - improved property conditions, safety, tenancy management, community relations and reduced ASB - can be continually improved via monitoring and enforcement action against non-compliant landlords</p> <p>It is felt that overall the benefits of additional licensing outweigh the potential disadvantages; it is believed will have a positive impact on the groups that use HMO accommodation , including vulnerable, low income or otherwise economically disadvantaged</p>	<p>Action(s):</p> <p>Ongoing liaison and engagement directly with and with groups representing landlords, tenants and their component communities and a range of will be undertaken to ensure engagement with a broad range of stakeholders. Issues of communication and understanding in respect of learning from the existing scheme and for any new scheme will be factored into operational delivery.</p>

People from different ethnic groups

The population of those living in the City's Private Rented Sector (PRS) comprises people from a range of different BME communities and concentrations of the City's BME households coincides with concentrations of the private rented sector accommodation. The tenant profile of HMOs is likely to be less diverse than that of the PRS overall, however we know that in certain areas of the City HMOs accommodate significant proportion of certain BME groups, particularly single, economic migrants such as those from Eastern European countries. Overcrowding can be an issue in some areas and illegal conversions of properties particularly affect new and emerging communities, as does poor or improper tenancy management.

Potential benefit: Additional Licensing would bring improved quality and safety of accommodation for BME tenants living in HMOs and assist in the identification and removal of landlords who cause negative impact to vulnerable BME or new communities via substandard or illegal accommodation.

Potential adverse impact:

(a) Landlords

During consultation on the previous scheme of additional licensing it was put forward that the scheme would disproportionately and adversely impact the South Asian community. Many HMO landlords are of South Asian (Indian and Pakistani heritage) and residential property investment is a key strand of the named communities' financial interests, therefore any adverse financial impact of the scheme on landlords would be disproportionately felt.

There is limited data available on landlord ethnicity, however that collected (105 volunteered responses via the licensing application process), 40% were White British/Irish, 47% were Asian and 13% were Black or Other Ethnicity. Of the Asian landlords, 62% were Asian Pakistani, meaning this particular

Action(s):

- **Continue to collect bi-annual ethnicity data from landlords applying to the scheme, with analysis of any change in dynamic or BME communities entering or exiting this market.**
- **Increased engagement with landlords from communities of interest via dedicated resource in the Safer Housing Team.**
- **Continue to make information and good practice available in a range of accessible and easy read formats.**

ethnicity makes up 35% of the total respondents.

It is acknowledged that this is a complex issue and that support will be required to ensure that different communities understand what licensing means for them, what is expected of landlords and that they are able to comply with the requirements.

(b) Tenants

Concern has been raised that licensing will inevitably cause an increase in rents as a result of the increased landlord expenditure on the licence and the costs of complying with licensing conditions. Though the proposed designation covers areas of the city with higher proportions of BME households, there is no evidence to suggest that the overall HMO stock is disproportionately occupied by BME households. Based on the main groups known to use HMO accommodation, it is likely that overall the concentration of BME households is less than in the PRS as a whole.

It is understood however, that the type of HMOs subject to additional licensing, do accommodate large proportions of some newer BME communities, namely EU citizens of Eastern European and African descent as well as single refugees and asylum seekers. Such households could be negatively impacted or displaced by an increase in rents, especially as they may not be eligible to receive assistance or public funds. Similarly, landlords could limit themselves to “safer” options in terms of rental security reducing the availability of accommodation to these groups.

Overall, the additional cost to landlords is considered to be small as a proportion of rental income, especially across the term of the licence it should not equate to more than a few pounds per week. Although it is acknowledged that those with larger portfolios will need to pay for multiple licences. Further, a reduction in the fee is proposed for those landlords who are accredited under the Nottingham Standard.

Action(s):

- **To work with partner organisations and departments to monitor any increase in people from HMOs making presentations or seeking advice due to impact of licensing.**
- **To work and negotiate with landlords to prevent homelessness at an early stage.**
- **Encourage landlords to engage with Nottingham Private Rented Assistance Scheme to provide housing for those at risk of homelessness.**

There is a risk however that the costs to landlords associated with Additional Licensing will be passed on to tenants, however there is no evidence to suggest that increases in HMO rents to date are driven exclusively by the introduction of the scheme . Increases in HMO rents were observed after the introduction of licensing however, they were also seen in cities – notably with similar student populations – that did not have a licensing scheme in place.

The risk of rent increases is therefore one that council is aware of, but one which is based on speculation.

Specific concerns were raised in the consultation about the impact of Additional Licensing on the availability of housing for refugees and asylum seekers, for whom less expensive HMOs often provide accommodation.

The Council does not believe that standards of accommodation should be compromised in the interest of greater affordability or preservation of profit margins and believe that the standards required by licensing are ones that landlords should already be meeting In response to the specific concern above, it would be unfair to both vulnerable households, and in the case of those households receiving assistance, the public purse, for them to resort to accommodation below the standards outlined.

Disabled People or Carers

It is acknowledged that HMOs may be home to number of people with learning disabilities or mental health issues, particularly as HMO accommodation is used by younger, single people in receipt of Local Housing Allowance.

Tenants with health issues are also much more likely to be affected by problems with damp and housing disrepairs. They

may also face problems with communication and getting repairs done quickly.

Potential benefit: Improvement in the property standards and tenancy management will have a positive impact on health and security of tenants, something of particular benefit to those who may be vulnerable due to mental health needs or a learning disability.

People of different faiths/beliefs and those of none

Issues or links between particular BME groups and the impacts of additional licensing could also apply to this equality strand.

Having identified that many landlords are from South Asian, or more specifically Pakistani, backgrounds, it should be noted that the Muslim community may not receive, for religious reasons, 'interest' from investments and therefore property is a preferred investment for many, hence this makes this community sensitive to any matters that could affect property prices or yields.

As previously stated, the Council does not believe that standards of accommodation should be compromised in the interest of greater affordability or preservation of profit margins and believe that the standards required by licensing are ones that landlords should already be meeting.

Younger People

It is recognised that the age profile of HMO tenants tends to be younger than the housing market or private rented sector as a whole, predominantly because two of the main groups using this type of accommodation are students and younger people who are in receipt of Local Housing Allowance (LHA) . LHA (housing benefit for PRS tenants) is capped at a "room rate" for single

Actions:

- **To use data available from partner organisations to look at rent trends in HMO accommodation (student only)**
- **To work and negotiate with landlords to prevent homelessness at an early stage.**
- **Encourage landlords to engage with Nottingham Private Rented Assistance Scheme to provide housing for those at risk of homelessness.**

people under 35, meaning the amount they receive is intended to cover the rent in shared rather than single occupancy housing.

Potential benefit: Improving the standard of accommodation therefore would benefit younger people and provide better value for money to the public purse.

Potential adverse impact: Any rent increase because of licensing could have a particular impact on young people in receipt of LHA. Their allowance is specifically based on shared accommodation or room rate however, their allowance could fall short of an increased rent, making them more vulnerable to homelessness and landlords potentially seeking “safer” tenant options.

Other : cohesion/good relations, vulnerable children/adults

Looked after children and vulnerable children are most unlikely to be housed in HMOs, although those leaving care may well access this type of accommodation, in which case observations relating to younger people (above) may apply. Where vulnerable children are living in HMOs they would benefit from improvements in property conditions and safety.

Improvements to the management and conditions of HMO properties, particularly in terms of ASB and poor external condition will assist an increase in cohesion and reduction in tensions between occupants of HMOs and others residing in the neighbourhood.

The evidence for the proposal and review of the current scheme, both looked complaints and service requests relating to HMOs, indicating a reduction in areas where licensing and enforcement has been in operation.

4. Outcome(s) of equality impact assessment:

<input checked="" type="checkbox"/>	No major change needed	<input type="checkbox"/>	Adjust the policy/proposal
<input type="checkbox"/>	Adverse impact but continue	<input type="checkbox"/>	Stop and remove the policy/proposal

5. Arrangements for future monitoring of equality impact of this proposal / policy / service:

The impact of licensing on households will be monitored via feedback from stakeholders or organisations representing stakeholders.
 The impact of the scheme on the availability and security of accommodation to vulnerable can be monitored using referral data to agencies such as Housing Aid and Advice Nottingham.

6. Approved by (manager signature) and Date sent to equality team for publishing:

<p>Approving Manager: Graham deMax, Housing Strategy and Partnerships Managers</p>	<p>Date sent for scrutiny: 20/08/2018 Send document or Link to: equalityanddiversityteam@nottinghamcity.gov.uk</p>
<p>SRO Approval: 20/08/2018</p>	<p>Date of final approval: 20/08/2018</p>

Before you send your EIA to the Equality and Community Relations Team for scrutiny, have you:

1. Read the guidance and good practice EIA's
<http://intranet.nottinghamcity.gov.uk/media/1924/simple-guide-to-eia.doc>
2. Clearly summarised your proposal/ policy/ service to be assessed.
3. Hyperlinked to the appropriate documents.
4. Written in clear user-friendly language, free from all jargon (spelling out acronyms).
5. Included appropriate data.
6. Consulted the relevant groups or citizens or stated clearly, when this is going to happen.
7. Clearly cross-referenced your impacts with SMART actions.

