

Community Impact Assessment (CIA)

Title of proposal: Introduction of an additional HMO licensing scheme for three and four-person small HMO's in Salford.

Service Group/ Team: Landlord Licensing – Regulatory Services.

Date of assessment: January 2021

Lead CIA Officer: Anne Arcus

Officers in Assessment Team: Sarah Hughes, Rob Fletcher, Gemma Chilton, Darcy Ollerhead, Maurice Leigh, and Karina Daniels.

Review date: 12 months after designation

The findings of your CIA MUST be included within the report for decision and this document attached as evidence of your consideration of potential impact on communities.

Summary of Community Impact Assessment

A community impact assessment has been completed on proposals to designate additional HMO licensing for three and four-person small HMO's.

The Housing Act 2004 gives Councils the power to introduce additional licensing schemes for privately rented properties in an area or part of an area. The purpose of such schemes is to improve standards of property management in the private rented sector. If a landlord rents a three or four-person small HMO property in Salford they will need to obtain an additional licence from the Council.

Additional HMO licensing will ensure all private landlords affected by the scheme are fit and proper persons and that the property has satisfactory management arrangements in place. The licence will be issued with several licence conditions to ensure the property is managed correctly and meets the minimum property conditions, failure to comply with the licence conditions is a criminal offence and the landlord can be fined.

An Additional HMO licensing scheme would not only provide further intelligence about property condition, enabling further targeting of proactive inspections to drive up standards, but will improve the living conditions for those tenants occupying 3 and 4 person HMOs. The introduction of additional licensing will benefit the communities across the city who have experienced the negative impact of this type of HMO property being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems.

Salford has not operated an additional HMO licensing scheme before but has been running selective licensing and mandatory HMO licensing schemes for several years. Salford City Council feels the area would benefit from a further HMO scheme and proposes to introduce an additional HMO Licensing Scheme across Salford for a period of five years.

The formal consultation found no disproportionate impact on anyone in respect of their protected characteristics.

1. The proposal

This section should outline details of the proposal. This could include (where applicable)

The Housing Act 2004 gives Councils the power to introduce additional licensing schemes for privately rented properties in selected areas, where the area has been identified as meeting one of several criteria, as laid out in the Housing Act 2004.

This proposal is based on the evidence that Salford meets the criteria, “that a significant proportion of three and four person HMOs across the city are being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems either for those occupying the HMOs or for members of the public” as defined in the Housing Act 2004.

The purpose of such schemes is to improve standards of property management in the private rented sector. If a landlord rents a three or four-person small HMO property in Salford they will need to obtain a licence from the Council.

The application process consists of a three-part online application, with parts one and two ensuring the licence holder and property manager pass the “fit and proper” test and that there are satisfactory management arrangements in place.

Landlords will have to show that they and their managing agents are “fit and proper” persons as well as providing information on how they manage their properties. This includes the submission of a recent DBS.

When deciding whether a landlord/managing agent is “fit and proper” we will look at whether they have:

- a) Committed any serious criminal offences (fraud, violence, drugs, or sexual offences).
- b) Discriminated illegally against anyone.
- c) Breached laws that relate to renting property.

Part three of the application process, the property section, requires the landlord to provide full details regarding the property as well as the provision of safety certificates such as fire alarm test certificate, gas safety certificate, electrical installation condition report and the fire risk assessment. This is to confirm the testing of appliances and installations have been completed by registered engineers ensuring that they are in a satisfactory condition. Other documents required include copies of the tenancy agreements, floor plans of the property and emergency lighting certificate (where appropriate).

An application will only be deemed valid once all this information is provided and the Application fee has been received.

Following this the grant fee will become due and the licence will be granted once a satisfactory inspection has been completed.

It is a criminal offence for the landlord to not have a licence, should they need one. However, as an alternative to prosecution, the Council could issue a Civil Penalty.

The licence will be issued with several licence conditions to ensure the property is managed correctly, failure to comply with the licence conditions is a criminal offence and the landlord can be fined.

The scheme will have a positive impact on all residents.

2. Evidence and research

What equality information (qualitative and quantitative), research or other intelligence have you used to develop this proposal?

This can include; equality monitoring information, census data, customer satisfaction surveys and feedback, inspection reports, desktop research (local, regional and national), professional journals, feedback from individuals and groups. Details of information considered when assessing the impact should be published (whilst ensuring individual confidentiality).

Information source: *(Consultation survey feedback)*

Most respondents wished to see their area cleaned up and maintained and for landlords to be responsible for their properties and their tenants with specific regard to rubbish dumping, noise, and parking.

Information source: *(Consultation survey feedback)*

81% of residents agreed with the proposals, 35% of landlords and managing agents agreed.

Information source: *(Consultation survey feedback)*

Generally, the majority of landlords and managing agents disagreed with every statement regarding small three and four person HMO's being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems, either for those occupying the HMOs or for members of the public. This was despite there being clear statistical factual evidence that Salford meets the criteria.

3. Engagement / Consultation

When considering your proposal, you should be engaging with individuals and groups covering the following protected characteristics (You can use evidence from existing consultations if this evidence is relevant to your proposal):

- Age
- Disability
- Gender
- Gender reassignment
- Marriage and Civil Partnership
- Pregnancy and maternity
- Race
- Religion and belief
- Sexual orientation

We also advise you to consult people on a low income, carers, ex-offenders, refugees and people seeking asylum, gypsies and travellers, where appropriate.

You should detail below your engagement activities (Please note; you must ensure individual confidentiality)

Date(s) of engagement: 13 October 2020

Elected Members

Main issues identified: general support for the scheme

Date(s) of engagement: 13 October and 19 November 2020

Neighbourhood managers and local community groups.

Main issues identified: general support for the scheme

Date(s) of engagement:13 October 2020

Landlords and managing agents

Main issues identified: Generally, the majority of landlords and managing agents disagreed with every statement regarding small three and four person HMO's being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems, either for those occupying the HMOs or for members of the public. This was despite there being clear statistical factual evidence that Salford meets the criteria.

Date(s) of engagement:13 October 2020

NRLA

Main issues identified: Some objections raised were extending length of consultation period due to COVID-19, the licence fee being compliant with case law and the financial impact of the fee on landlords.

Date(s) of engagement:13 October 2020

Public accessing our website

Main issues identified: Most respondents wished to see the proposed area cleaned up and maintained and for landlords to be responsible for their properties and their tenants with specific regard to rubbish dumping, noise, and parking.

Generally, the majority of landlords and managing agents disagreed with every statement regarding small three and four person HMO's being managed sufficiently ineffectively as to give rise, or to be likely to give rise, to one or more particular problems, either for those occupying the HMOs or for members of the public. This was despite there being clear statistical factual evidence that Salford meets the criteria.

Date(s) of engagement:16 November 2020

All households in Salford - advert in Life IN Salford

Main issues identified: Most residents who completed the online survey or provided feedback via email or letter were in support of the scheme.

Date(s) of engagement: 13 October 2020

Salford University and Student Union – directed to our website

Main issues identified: Students have been directed to the webpage and online survey.

4. Assessing the impact

From your evidence gathering, you will have identified potential disproportionate negative impacts. Please provide details and your actions to overcome these below. We would also like to know if there will be any positive impacts that your proposals will make to improve equalities:

- Potential impact: If the proposal could result in some groups (including customers and/or staff) being disadvantaged or treated unfairly
- Mitigations and actions: Where there is a potential for disadvantage or unfair treatment, what are your plans to eliminate, reduce, mitigate or justify it? Could making these changes have a negative effect on any other group(s)? Explain why and what you will do about this. You should include details of who will be responsible for the actions and target dates for completion:
- Promoting Equality: Could the proposal result in an opportunity to promote equality or inclusion? Explain how.

Please note: these details will form the basis of your action plan.

Protected characteristic or other group: Age

Potential impact: possible initial negative impact, long-term positive impact expected

Mitigations and actions: Additional HMO licensing proposals could impact on this group negatively in the short term due to the possibility that some landlords may seek to return poorly non-compliant converted houses currently used as bedsit type accommodation back into single family homes in order to avoid licensing requirements. This may result in consequential short-term shortages of HMO accommodation and increased potential for evictions. This is however only expected to be the case for poorly managed properties in the worst condition. In the long term this will result in properties being improved to meet the minimum standards. Should any residents be displaced because of this process will have access to housing advice albeit it may not be possible for the Council to make a direct offer of alternative accommodation in all cases

The impact on landlords is not expected to be disproportionate due to age

Responsible officer: n/a

Target date: n/a

Promoting equality:

Protected characteristic or other group: Disability

Potential impact: Negative - Access to service and communication issues

Mitigations and actions: Potential impact for landlords or tenants.

To ensure that access to the service is delivered in accessible venues. Information provided in a suitable format as per the needs of the service user. Invitations letters to make an application which are sent to service users provide details on how to request info in accessible formats. Information on the webpages meets accessibility requirements

Responsible officer: Anne Arcus

Target date: ongoing

Promoting equality:

Protected characteristic or other group: Gender

Potential impact: No differential impact

Mitigations and actions: No differential impact has been identified in respect of landlords who may be affected by these proposals as it applies equally to all landlords operating on the designated area irrespective of sex/gender.

No impact due to their sex / gender is expected for tenants.

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Gender reassignment

Potential impact: No differential impact to landlords and positive for tenants

Mitigations and actions: No differential impact has been identified in respect of landlords who may be affected by these proposals as it applies equally to all landlords operating in Salford.

These proposals require private landlords to investigate and take appropriate action against anti-social behaviour of their tenants, thus reducing anti-social behaviour in the area. This may benefit tenants and other local people who suffer from hate crime and incidents

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Marriage and Civil Partnership

Potential impact: No differential impact for landlords or tenants

Mitigations and actions: No differential impact has been identified in respect of landlords who may be affected by these proposals as it applies equally to all landlords operating in Salford.

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Pregnancy and maternity

Potential impact: No differential impact for landlords or tenants

Mitigations and actions: No differential impact has been identified in respect of landlords who may be affected by these proposals as it applies equally to all landlords operating in Salford.

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Race

Potential impact: Negative impacts for landlords or tenants and positive impact for tenants

Mitigations and actions: Barrier to service users not able to access information in the service user first language and communication issues - To ensure that access to service is delivered in accessible formats. Leaflets and correspondence carry the language panel. Use of Language Line where necessary.

Concentration of migrant households in the area. May be vulnerable as they may be new arrivals in the country and may be more likely to be affected by poor housing/management conditions. Overcrowding disproportionately affects migrants. These proposals will ensure better quality accommodation and landlord management and more protection from eviction through licence conditions. Improved route for issuing guidance to landlords.

Responsible officer: Anne Arcus

Target date: ongoing

Promoting equality:

Protected characteristic or other group: Religion and belief

Potential impact: Positive

Mitigations and actions: These proposals require private landlords to investigate and take appropriate action against anti-social behaviour of their tenants, thus reducing anti-social behaviour in the area. This may benefit tenants and other local people who suffer from hate crime and incidents.

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Sexual orientation

Potential impact: Positive

Mitigations and actions: These proposals require private landlords to investigate and take appropriate action against anti-social behaviour of their tenants, thus reducing anti-social behaviour in the area. This may benefit people who suffer from homophobic crime and incidents.

There is no information relating to sexual orientation of landlords.

Responsible officer:

Target date:

Promoting equality:

Protected characteristic or other group: Other groups - Low Income

Potential impact: Negative and positive

Mitigations and actions: Impact for tenants

Vulnerable residents and those on low incomes have found that access to good quality housing appropriate to their needs has been restricted by a lack of affordability and large numbers find themselves living in the worst PRS properties or shared accommodation. Changes to the national welfare system has had a negative impact on the provision of quality housing options due to displacement of benefit dependent households into cheaper accommodation because of the Local Housing Allowance rent caps. Some landlords may decide to increase rents or leave the cheaper private rented market altogether if landlord licensing is introduced in the area and this could negatively impact tenants due to an increase in evictions and homelessness.

Worst case scenario - a first additional HMO licence application for the five year term, for a four bedroom property would cost the landlord an additional £4.17 per week. If split between four tenants equates to approximately £1.04 each per week.

On the positive side, a significant protection that would be provided for assured shorthold tenants is that a s.21 Notice to evict tenants cannot be used by the landlord where a property is subject to licensing, but has not been licensed, and the Courts will therefore refuse to issue Possession Orders on that basis. The life chances of residents are closely linked to the quality of their neighbourhoods and their housing accommodation. Licensing seeks to address some of these issues by driving up the quality of the PRS and will improve housing conditions and security of tenure, particularly for the poorest tenants, over the longer term.

Responsible officer: Anne Arcus

Target date: ongoing

Promoting equality:

5. Assessing the impact on community cohesion

Community cohesion is what must happen in all communities to enable different groups of people to get on well together. A key contributor to community cohesion is integration which is what must happen to enable new residents and existing residents to adjust to one another.

An integrated and cohesive community is based on three foundations:

- People from different backgrounds having similar life opportunities.
- People knowing their rights and responsibilities.
- People trusting one another and trusting local institutions to act fairly.

And three ways of living together:

- A shared future vision and sense of belonging.
- A focus on what new and existing communities have in common, alongside a recognition of the value of diversity.
- Strong and positive relationships between people from different backgrounds.

Detail below if the proposals is likely to impact on community cohesion, including if there is likely to be a positive impact: The scheme will have a positive impact for residents in the proposed area.

The purpose of such schemes is to improve standards of property management in the private rented sector. If a landlord rents a three or four-person small HMO property in Salford they will need to obtain a licence from the Council.

The application process consists of a 3-part online application, with parts 1 and 2 ensuring the licence holder and property manager pass the “fit and proper” test and that there are satisfactory management arrangements in place.

Landlords will have to show that they and their managing agents are “fit and proper” persons as well as providing information on how they manage their properties. This includes the submission of a recent DBS.

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completed by registered engineers ensuring that they are in a satisfactory condition. Other documents required include copies of the tenancy agreements and floor plans of the property

An example of how additional HMO licensing can promote a cohesive community is through the licence conditions imposed. One licence condition requires landlords to ensure that their tenants understand the rules for disposing of rubbish correctly, i.e. knowing what day they need to put out their bins and what rubbish can go in the bins. Condition 17 specifically requires the licence holder to ensure that all information and documents that are provided by the landlord to their tenants are in a language/form that they can understand. This ensures people from different backgrounds/cultures understand the correct rules for disposing of rubbish and promotes a cohesive community.

Should residents have an issue or wish to complain about a licensed property, they can contact the licensing team who will investigate the complaint and take appropriate action where necessary.

The additional HMO licensing scheme provides reassurance to resident's that private rented properties are being well managed and relevant safety checks being conducted yearly. It also increases the ability to reach landlords with guidance and new information

6. Monitoring

You should ensure that any actions within your CIA are monitored and reviewed regularly within Pentana. You should review progress on your action plan annually.

7. Review

Your CIA should be reviewed after the proposals have been implemented to review actual impact. You should record an appropriate review date below.

Review date: 12 months after designation

8. Sign off

When you have completed your CIA, it must be signed off by a senior manager within your service group (Assistant Director or above).

Name:

Signature

Date:

When your CIA has been signed off and after the decision has been made, send it to [Equalities&Cohesion Team](#) in Policy and Strategy for publishing on the [council's website](#).