

REPORT OF THE LEAD MEMBER FOR HOUSING

**TO CABINET
13 April 2021**

TITLE: Additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) across the city of Salford.

RECOMMENDATIONS:

That the City Mayor in consultation with Cabinet

1. Authorises the designation of an additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs), under Part 2 of the Housing Act 2004 in Salford having regard to the evidence base contained within Annex 1, the consultation responses contained within Annex 2, the legislative requirements and non-statutory guidance.
 2. Authorises the proposed fee structure for the additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) as detailed in section 5 of this report;
 3. Authorises the proposed Licence Conditions for the additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) as detailed in Annex 3 attached to this report;
 4. Authorises officers to carry out all necessary actions to publicise the designation for additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) to comply with the requirements of the Housing Act 2004.
 5. Acknowledges that the scheme is self-funding and staffing resources to deliver the scheme will be approved under delegated powers by the Strategic Director.
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EXECUTIVE SUMMARY:

This report seeks approval to designate an additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) in Salford.

The main provisions of the Housing Act 2004 came into effect in April 2006, giving local authorities the power to introduce three different types of licensing, namely mandatory HMO licensing of larger HMOs, additional HMO licensing of smaller HMOs and selective licensing of all privately rented housing in specific areas. Local authorities

have the discretion to introduce additional HMO and selective licensing but only if they can satisfy certain qualifying criteria.

Salford is now proposing the designation of an additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) across the City of Salford. An additional licensing scheme would operate together with the current mandatory scheme, which only licenses larger 5 or more person HMOs across the City and the current selective licence designations.

In order to designate an additional licensing scheme, the Council must be satisfied that a significant proportion of 3 and 4 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. If it is satisfied, the Council must additionally be satisfied that (amongst other matters) no other effective course of action is available to it to tackle the problem.

The evidence contained within this report highlights the particular problems that were found during inspections of 3 and 4 person HMOs and includes the failure of those landlords to understand or take relevant safety measures to protect tenants in the event of a fire. A third of 3 and 4 person HMOs inspected failed to provide an adequate means of escape in event of fire endangering those tenants living within the HMO.

There was little evidence of appropriate property maintenance programmes within these HMOs resulting in damp and cold homes with inadequate energy efficiency measures. There were poor arrangements for storing and disposing of domestic waste. Areas with high concentrations of HMOs show a relationship with domestic waste complaints and requests for street sweeping.

As evidenced further in this report, Salford City Council is satisfied that a significant proportion of 3 and 4 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.

A formal consultation has been completed as required by section 56 of the Housing Act 2004. This provided significant support for the implementation of an additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) across the City of Salford. (Annex 2)

This report seeks approval to commence the additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) in Salford under general consent powers given in the Housing Act 2004.

BACKGROUND DOCUMENTS:

CITY MAYOR - BRIEFING NOTE – July 2019 - Citywide Additional Licensing of Houses in Multiple Occupation (HMO)

Housing Act 2004

October 2020 - Review of the private rented sector specifically 3 and 4-person small Houses in Multiple Occupation in Salford.

KEY DECISION: YES

DETAILS:

1.0 Background

- 1.1 The main provisions of the Housing Act 2004 came into effect in April 2006, giving local authorities the power to introduce three different types of licensing, namely mandatory HMO licensing of larger HMOs, additional HMO licensing of smaller HMOs and selective licensing of all privately rented housing in specific areas. Local authorities have the discretion to introduce additional HMO and selective licensing but only if they can satisfy certain qualifying criteria.
- 1.2 Salford City Council welcomed this legislation and commenced with citywide mandatory HMO licensing in April 2006. HMOs which need to have a licence are those where there are five or more tenants, forming two or more households, which use shared facilities such as toilets, bathrooms, kitchens and so on.
- 1.3 In February 2007, Salford became the first local authority to obtain approval from the Department for Communities and Local Government (DCLG) to introduce a Selective Licensing Scheme in the Seedley and Langworthy Regeneration Area. The scheme commenced on 25th May 2007 and lasted for five years.
- 1.4 Following its success, the authority has declared a further six schemes in areas where it would be most beneficial and includes parts of Broughton, Eccles & Barton, and Irwell Riverside & Kersal.
- 1.5 There are currently two designated selective licensing areas in parts of: Charlestown and Lower Kersal and Langworthy, Weaste and Seedley.
- 1.6 With an ever-growing private rented sector, it's important to ensure that this sector provides flexible, affordable and well managed homes. Salford's housing data 2018, indicates that 72.4% of the housing stock is in the private sector.
- 1.7 In 2019, the number of privately rented property was estimated at 27,231 dwellings. Privately rented properties in Salford have grown from 11.2% of the total private sector stock in 2008 to 23% in 2019 and continues to grow¹.
- 1.8 The impact of this growth is exacerbated by the growth of smaller HMOS, particularly in areas of the city that have historically not seen properties used for multiple lets.

¹ Salford tenure - Dwelling Housing Stock 2008-19

- 1.9 In the previous selective licensing scheme in Langworthy, Weaste and Seedley, over a 5-year period we have seen a 410% increase in properties converted into HMOs and this appears to be continuing to grow.
- 1.10 Similarly, in the Eccles selective licensing scheme since 2015, there has been a 460% increase in HMO's, as well as 196% increase since 2016 in the Broughton Selective Licensing area.
- 1.11 The Housing Act 2004 provides the Council with the power to introduce an Additional Licensing Scheme in its area. The power was intended to address the impact of poor-quality HMOs that fall outside of the mandatory licensing HMO definition and management issues and poor property conditions.
- 1.12 A designation may apply to certain descriptions of HMOs or to all HMOs (other than those subject to mandatory licensing) in the designated area.
- 1.13 Through the work of the private sector housing team, there is clear evidence that a significant number of these smaller HMO's seriously fall short of the fire safety requirements, are overcrowded and lack suitable management arrangements.
- 1.14 Smaller HMOs also give rise to problems to local communities, who will regularly complain about environmental issues, overcrowding and poor property condition.
- 1.15 Over the last 12 months, 90% of the 3 & 4 bed HMOs that have been inspected have fallen below the required standard. 21 landlords have been issued with Civil Penalties for breaches of HMO management regulations. This is despite, the authority providing clear and concise information about acceptable standards for HMO's and offering an HMO advice service, however, an increasing number of landlords fail to have regard to these standards.
- 1.16 Cabinet approved the decision to commence a formal consultation on proposals for an additional HMO licensing scheme for three and four person small HMO's. The formal consultation ran for 12 weeks from 13th October 2020 and ended on the 5th January 2021. Details regarding the consultation are included in section 4 of this report.
- 1.16 The introduction of a citywide additional licensing scheme, will set out a clear set of conditions and expectations and it is believed would bring about consistency in the way HMO's are managed and would directly tackle the problems such as poor property management, poor property condition and overcrowding. Further benefits would include a reduction in complaints and problems associated with HMO's, protection of the health, safety and welfare of tenants, reduction in negative impacts from HMOs for the wider community and improved management and property condition within shared accommodation.
- 1.17 Following the issue of a General Consent in April 2015 by the Secretary of State, Local Authorities in England do not have to seek approval for the introduction of

an Additional Licensing scheme provided all necessary conditions are complied with.

2.0 Details

2.1 A report was submitted to Cabinet in October 2020 that outlined details for the proposals to formally consult on Additional Licensing scheme for 3 and 4 person Houses in Multiple Occupation in Salford. The report was approved, and a formal consultation has been completed.

3.0 Summary of evidence

3.1 Section 56 of the Housing Act 2004 places requirements on Local Authorities when considering a designation for Additional Licensing of HMOs in that the Council must:

- Consider that a significant proportion of the HMOs of that description in the area are being managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more problems whether for those occupying the HMOs or for members of the public;
- Take reasonable steps to consult with persons who are likely to be affected and consider any representations made in accordance with the consultation; and
- Have regard to any information regarding the extent to which any codes of practice approved under Section 233 have been complied with by persons managing HMOs in the area (these codes relate to University managed accommodation).

3.2 Under section 57, the Act states:

- The authority must ensure that any exercise of the power is consistent with the Council's overall housing strategy;
- The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and antisocial behaviour affecting the private rented sector, both – as regards combining licensing under this Part with other courses of action available to them, and as regards combining such licensing with measures taken by other persons.
- The authority must not make a particular designation under section 56 of the Act unless – they have considered whether there are any other courses of action available to them (whatever the nature) that might provide an effective method of dealing with the problem or problems in question, and they consider that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well).

3.3 Annex 1 of this report is the Consultation document and contains the evidence base in support of the proposals. The evidence has been reviewed against the requirements of the Housing Act and identifies the particular problems that are common in 3 and 4 person HMOs and that these are a result of the properties being ineffectively managed.

3.4 To summarise the evidence within the consultation document, the key findings include:

- The data collected identifies that 72% of the 3- or 4-bedroom HMO inspected were a bedsit style, the highest risk style of let and 28% a shared house HMO.
- 100% of the 3- and 4 person HMOs contained one or more hazards, rated under the housing health and safety rating system, for tenants residing in the HMO.
- The most prevalent hazard, found in 92% of the 3 and 4 person HMOs, related to inadequate safety measures within the property in the event of a fire.
- All the properties that were found to be lacking in adequate safety measure relating to fire, were found to have further issues.
- The data indicates an overall lack of maintenance and a failure of landlords to comply with HMO fire safety standards. It also indicates a lack of any regular inspection programme being undertaken by the landlords.
- The second largest hazard found during analysis relates to 'Damp and Mould Growth'. This hazard was found in over a third, 36%, of the 3- and 4-bedroom HMOs inspected. This hazard category covers threats to health associated with dust mites and mould or fungal growth resulting from exposure to dampness and/or high humidity.
- The third largest hazard found was 'Excess Cold'. This hazard category relates to any defect causing a threat to health from sub-optimal indoor temperatures. Almost a third of all small HMOs inspected contained a defect in this category. The largest proportion of defects came from properties suffering from either no whole-house heating whatsoever, or a lack of heating provided in shared facilities such as kitchens and bathrooms.
- In the domestic hygiene, pests and refuse hazard category, the most prevalent issue found in the small HMOs was damage and general disrepair in shared kitchens at 70%. This included damage to kitchen tiling, poor sealant around kitchen sinks, and loose and worn worktops.
- The data analysis also shows that of the small HMOs inspected, nearly a quarter were found to be overcrowded.

3.5 Remedial Action taken includes:

- Of the HMOs inspected, **8%** required the local authority to take immediate action for the safety of the tenants. This resulted in the occupants being removed for their own safety until the remedial works were completed.

- The Housing Act 2004 provides local authorities with a discretionary power to take action where category 2 hazards are found. In line with the Council's Enforcement Policy, this option is taken when informal action has been unsuccessful, or where a landlord fails to engage or refuses to remove hazards.
- Of the HMOs inspected, **84%** were non-compliant and benefited from improvements and removal of hazards, without the need for formal enforcement action. Officers were able to successfully engage with landlords and managing agents informally to encourage remedial work to take place.

3.6 Action taken against breaches of management regulations includes

- Of the small HMOs inspected during this period, 24% were found to have serious failings in management standards. Tenants were living in unsafe conditions, which could have placed them in harm.
- Civil penalties to the value of £120,000 were issued in the most serious of cases, as the result of the 36 inspections undertaken on 3 and 4 person HMOs.

Examples of poor management practices within these properties, include:

- A property manager failed to notice during his routine inspection of the property, that the stairs, which provide the fire escape route were damaged in various places and that sections of the carpet were loose and moved when walked upon.
- A property manager failed to notice during his routine inspection that the self-closing devices to fire doors were not connected, furthermore, they also missed a broken electrical circuit on the landing (fire escape route)
- A property manager failed to notice during their routine inspections the substantial accumulation of refuse in the rear garden
- Failure of a landlord to take any action once Electricity Northwest had disconnected the electricity meter due to tampering
- Lack of management arrangements to ensure that shared kitchens and bathrooms were kept clean

4.0 Consultation

- 4.1 The Housing Act 2004 section 56(5) stipulates that a statutory consultation process is required to support any proposal for an additional licensing scheme and that this must run for a minimum of 10 weeks.
- 4.2 The team made the decision to extend the consultation period beyond the minimum 10 weeks. The consultation was open for 12 weeks from 13th October 2020 and ended on the 5th January 2021.

- 4.3 The consultation invited the views of residents, businesses, landlords, managing and letting agents, professional bodies, tenants and any other stakeholders that might be affected by the proposals for an additional HMO licensing scheme. Views were sought on the proposed boundary of designation, licence conditions and the licence fee.
- 4.2 The Council took steps to ensure that the consultation was widely publicised, using various channels of communication whilst adhering to the current COVID legislation and guidance. The consultation exercise involved the publication of a consultation document which provided a detailed explanation of the proposed designation and an online questionnaire. Hard copies of the documentation were made available on request. The consultation questionnaire was provided online, however alternative methods for feedback were provided and the community were also able to feedback via email, telephone or post. Social media messages were used throughout this period to encourage interested parties to engage in the consultation process.
- 4.3 The consultation process included the ability to view the consultation document and the evidence contained within it, to support the additional HMO licensing proposal. Furthermore, an online questionnaire was provided giving consultees the opportunity to provide individual feedback either via the survey, email or telephone on key areas of concern they have about small 3- and 4-bedroom HMO properties.
- 4.4 During the consultation, responses to comments were provided to the individuals who requested them. A 'frequently asked questions' section was provided on the consultation website that was regularly updated. This encapsulated the queries received during the consultation process.

5.0 Summary of results

- 5.1 A total of 184 responses were received, the majority were via the online survey. Of those 184, 59% identified themselves as residents, 34% as either landlords or managing agents, 7% as 'other' (which includes professional bodies), and 1% were unknown.
- 5.2 In particular,
- 34% of landlords and managing agents who responded to the consultation agreed with the council's proposal to introduce additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) and 81% of resident who responded also supported the council's proposals.
 - 76% agreed that there has been an increase in the number of 3 and 4-person small HMO's in Salford.
 - 68% agreed that there is an issue with the management of houses in multiple occupation that are occupied by 3 or 4 persons from 2 or more households
 - 67% of the online survey responses received agreed that the additional licensing scheme for 3 and 4 person HMO's should apply to the whole of Salford.

- When asked about 3 and 4 person HMO's;
 - 59% felt that the properties were poorly managed
 - 57% felt that the properties were in poor conditions
 - 61% felt that the properties are not routinely maintained
 - 52% felt that tenants were not vetted for the properties
 - 69% felt that the properties have waste management issues
- 40% of the online survey responses received felt that the base licence fee was too high, 31% felt it was about right, 24% felt it was too low and 5% did not know.

5.3 There were quite a few suggestions that 'good landlords' should be rewarded by a reduced fee. Our response to this is contained within our proposals for licence fee reduction, offering a reduced fee for landlords who are part of Salford's accreditation scheme and for those landlords making early licence applications.

5.4 There was a lot of comments regarding refuse issues and property management with suggestions as to how this should be managed. The team's response to this is contained within the prescribed licence conditions, there has also been an amendment to the conditions to have the property inspected by the landlord or managing agent at least a minimum of once a year.

5.5 A response was received from the National Residential Landlords Association NRLA, their main objections requested an extended deadline for the consultation following the recent government COVID 19 announcement, and comments relating to the proposed fee structure and financial impacts for landlords should the scheme be approved.

With regards to the objections raised, the NRLA were advised that an extended consultation had been implemented due to COVID-19, the council were satisfied that the proposed fee structure is compliant with recent case law, which we cover later in this report, and that longer payment terms were being considered to assist landlords.

5.4 A full summary of the results and feedback received can be found in annex 2.

6.0 Proposals

6.1 The proposals are to license all 3 and 4 person HMO's across Salford. Statutory exemptions will apply as prescribed within the legislation, Schedule 14 of the Act. Furthermore, the proposals do not include the licensing of HMOs that fall under the definition under section 257 of the Act, a building converted in flats that don't meet building regulations. However, any such flat within the building that is multi occupied would require a licence under this scheme. In addition, any 3 or 4 person HMO, within a purpose-built flat situated in a block comprising three or more self-contained flats, where the person in control is signed up to a code of practice under section 233 are not included within the proposals.

6.2 Designation Area – views were sought during the consultation regarding the designation area and whether it should be citywide or not. There was significant support for the designation to cover the whole of Salford, with two thirds agreeing the scheme should be citywide. Suggestions were made that the favourable areas for designation should include Barton, Broughton and Eccles. After full consideration of the responses we do not propose making any changes to the scheme designation area.

6.3 Licence fee & licence fee reduction

Salford has always sought to set fees at a level that would make schemes self-funding. Recent case law (Hemming v Westminster) clearly states that the fee should only cover the cost of administering and monitoring a Licensing designation. We have drawn on experience of operating a mandatory HMO licensing scheme and other selective licensing schemes, to propose a fee at a level that makes the scheme self-financing.

Furthermore, in line with the recent court ruling (Gaskin) we have calculated a fee that is proportionate for the area to which they apply and that it is applied into 2 parts; Part one, application fee - covers the costs of administering the application process; Part two, granting the licence fee, covers the costs of running the HMO scheme itself and is only payable if the licence is issued.

Included within the application fee, is the cost of the mandatory property inspection. The base fee we propose is £1,085 with the application fee being £890 and the granting of the licence fee being £195.

We have fully considered the concerns of landlords and managing agents regarding the impacts of the proposed fee and we are proposing to offer additional flexible payment terms to minimise the financial burden on landlords. Their concerns included the fee being too high and the impact of this being passed to the tenants.

Should a landlord pass the cost to a tenant, we have calculated the cost based on the first application, which would cost the landlord an additional £4.17 per week, over a 5 year period. If split between four tenants equates to approximately £1.04 each per week.

Other concerns raised in relation to the fee, list the scheme being a 'money making scheme' for the city council were noted. The team have been clear in their response to this. The cost is based upon the projected cost of delivering the scheme for its full five-year duration. Furthermore, we are providing a reduction in the fee for accredited landlords and early licence applications to reflect the reduced cost incurred by the Council when processing these applications.

In response to a mix of comments about the potential financial burden of the licence fee to landlords, new and more generous terms of 36 monthly direct debit payments are being considered and if approved, will remain under review throughout the duration of the scheme.

The proposed licence fee structure is detailed below.

	Part 1 application fee	Part 2 granting of the licence fee	TOTAL Fee
Mandatory HMO new applications (base fee)	£890	£195	£1085
Mandatory HMO subsequent applications	£863	£189	£1052.45
Early application made within 1st 3 months of scheme	£837	£158	£995
Early subsequent application made within 1st 3 months of scheme	£808	£154	£962
Accredited landlord new application made within 1st 3 months of scheme	£810	£158	£968
Accredited landlord subsequent application made within 1st 3 months of scheme	£785	£150	£935

Proposed payment options include-

- Pay in full up front
- 25% up front and 23 monthly direct debit payments
- 50% up front and 11 monthly direct debit payments
- 36 monthly direct debit payments

6.4 **Application Process**

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. It is worth noting that the Licence Holder and Property Manager can be same person.

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.

A check will also be completed to ensure that any licence holder or managing agent does not appear on the Rogue Landlords database.

Part 3 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, 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 and floor plans of the property.

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

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

7.0 Licence conditions

Once a licence is issued, licence holders are legally bound by the licence conditions which ensure effective property management.

The Landlord Licensing Team also has the power to revoke licences in circumstances where landlords have breached the conditions of their licence.

Ensuring compliance with the licence conditions is a key aspect in improving and maintaining the high standards expected within the private rented sector in the area.

Consultation feedback regarding waste issues and anti-social behaviour being a problem and not being enforced is covered in our proposed conditions. However, we have taken on board the suggestion to include a condition requiring the landlord or managing agent to regularly inspect their property on a minimum of once a year during the licence.

Colleagues across the council, such as Environmental Services have had the opportunity to review the conditions and offer any suggested wording for conditions.

Salford has a comprehensive set of licence conditions following 14 years of running mandatory HMO licensing. These conditions are relevant and apply to small 3 and 4 person HMO's.

The licensing team propose to add 44 discretionary conditions which can be found in annex 3.

8.0 Conclusion

8.1 The consultation has resulted in overwhelming support for the proposed citywide additional HMO licensing scheme for 3 and 4 person HMO's, with 66% in agreement.

8.2 Salford has carefully considered the consultation feedback as detailed within this report and to summarise, changes have been made to our proposals and include

- Reduced fees for accredited landlords
- Reduced fees for early licence applications
- Longer flexible payment terms
- Amended licence condition

There were quite a few suggestions that 'good landlords' should be rewarded by a reduced fee. Our response to this is contained within our proposals for licence fee reduction, offering a reduced fee for landlords who are part of Salford's accreditation scheme and for those landlords making early licence applications.

We have fully considered the concerns of landlords and managing agents regarding the impacts of the proposed fee and we are proposing to offer additional flexible payment terms to minimise the financial burden on landlords.

There was a lot of comments regarding refuse issues and property management with suggestions as to how this should be managed. The team's response to this is contained within the prescribed licence conditions, there has also been an amendment to the conditions to have the property inspected by the landlord or managing agent at least a minimum of once a year.

8.3 Having given due regard to the responses received in the formal consultation on the proposal to introduce an additional licensing scheme for 3 and 4 person Houses in Multiple Occupation (HMOs) and the evidence collated, officers are satisfied that a significant proportion of 3 and 4 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.

8.4 Officers have considered whether there are any other courses of action available to them (whatever the nature) that might provide an effective method of dealing with the problem or problems in question, and they are satisfied that making the designation will significantly assist them to deal with the problem or problems (whether or not they take any other course of action as well). Officers are also satisfied that designating an additional HMO licensing scheme for 3 and 4 person HMO's will significantly assist the Council in achieving the objectives of the scheme as laid out in Annex 1.

- 8.5 Officers are satisfied that the proposed additional HMO licensing scheme is consistent with the Council's overall housing strategy; and adopts a co-ordinated approach in connection with dealing with homelessness, empty properties and antisocial behaviour affecting the private rented sector, both – as regards combining licensing under this Part with other courses of action available to them, and as regards combining such licensing with measures taken by other persons.
- 8.6 The progress, which has already been made by the Licensing Team, has been recognised nationally for innovation and has been highlighted by the Audit Commission as an example of best practice in this field.

KEY COUNCIL POLICIES: Sustainable Community Strategy, Housing Strategy, Crime and Disorder Reduction Partnership.

EQUALITY IMPACT ASSESSMENT AND IMPLICATIONS: A Community Impact Assessment has been completed for this proposal which has been reviewed by the Equalities team and will be published online. ANNEX 4.

The impact of the scheme has been fully considered and through the formal consultation, it found no disproportionate impact on anyone in respect of their protected characteristics. The scheme will have a positive impact on residents in the proposed area.

All landlords' needs are fully considered during the Landlord Licensing process. Landlords are provided with the opportunity to have an appointment with an officer from the Landlord Licensing Team to obtain assistance and advice in completing their licence application forms. All landlords are provided with details of how to obtain licensing documentation in a language which they understand. Where appropriate, an Officer from the Licensing Team can attend a home/office visit.

ASSESSMENT OF RISK: The risk is considered low.

The Council believes it has made a robust case for the designation of an Additional HMO Licensing Scheme. The consultation shows that there is support for the scheme amongst local residents; and some local landlords.

The majority of landlords and agents who responded to the consultation did not support the proposal.

Any decision that the City Council makes with regards to this proposal could be subject to legal challenge.

LEGAL IMPLICATIONS Supplied by Melinda Edwards, Principal Solicitor

Part 2 of the Housing Act 2004 makes provision for the designation of areas subject to additional licensing.

In that regard, a local housing authority may designate either–

- (a) the area of their district, or
- (b) an area in their district,

as subject to additional licensing in relation to a description of HMOs specified in the designation, if the requirements of section 56 are met.

The authority must consider that a significant proportion of the HMOs of that description in the area 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.

Before making a designation, the authority must–

- (a) take reasonable steps to consult persons who are likely to be affected by the designation; and
- (b) consider any representations made in accordance with the consultation and not withdrawn.

The power to make a designation under this section may be exercised in such a way that this Part applies to all HMOs in the area in question.

In forming an opinion as to the matter mentioned in subsection (2), the authority must have regard to any information regarding the extent to which any codes of practice approved under section 233 have been complied with by persons managing HMOs in the area in question.

Section 57 of the Housing Act 2004 also applies in respect of additional licensing schemes. In that regard, the authority must ensure that any exercise of the power is consistent with the authority's overall housing strategy.

The authority must also seek to adopt a co-ordinated approach in connection with dealing with homelessness, empty properties and anti-social behaviour affecting the private rented sector, both–

- (a) as regards combining licensing under this Part with other courses of action available to them, and
- (b) as regards combining such licensing with measures taken by other persons.

The authority must not make a particular designation under section 56 of the Act unless–

- (a) they have considered whether there are any other courses of action available to them (of whatever nature) that might provide an effective method of dealing with the problem or problems in question, and
- (b) they consider that making the designation will significantly assist them to deal with the problem or problems (whether they take any other course of action as well).

The report updates decision makers regarding the outcome of the recent consultation exercise undertaken under section 56 of the Housing Act 2004 and makes a number of recommendations accordingly.

When exercising public functions, the Council must ensure that it complies with the public sector equality duty as set out in section 149 of the Equality Act 2010. In that regard, an impact assessment measures and records compliance with this duty.

FINANCIAL IMPLICATIONS Supplied by Alison Smith, Finance Officer, tel. 925 1135

Landlord Licensing is a self-financing scheme over its five-year life. If implemented in this area the costs for running the scheme will be recovered through revenue acquired from the licence fee chargeable to landlords.

PROCUREMENT IMPLICATIONS

Procurement associated with the delivery of this scheme will be funded from the licence fee income.

HR IMPLICATIONS

The report refers to potential workforce implication if this was to be approved. The full staffing implications will be considered once approval for the scheme has been granted.

The positions that would be required to operate the scheme already exist on the structure therefore, approval for additional posts can be approved under delegated powers by the Strategic Director.

The appointment to the positions would be made in line with Salford City Council's recruitment policy and would be subject to formal approval through the filling of vacant posts process.

CLIMATE CHANGE IMPLICATIONS

As of 1 April 2018 there is a requirement for any properties rented out in the private rented sector to have a minimum energy performance rating of E on an Energy Performance Certificate (EPC). The regulations came into force initially for new lets and renewals, but extended to existing tenancies on 1 April 2020.

As of now it is unlawful to rent a property which breaches the requirement to have at least an E rating, unless there is an applicable exemption.

The proposed additional licensing scheme aims to improve property conditions, which could include excess cold and damp. Improving conditions such as this will support energy efficiency.

OTHER DIRECTORATES CONSULTED: Services consulted include:

Neighbourhood Management, Community, Health and Social Care Directorate

Council Tax department, Customer and Support Services

Strategy and Enabling, Housing and Environment Directorate

CONTACT OFFICER: Anne Arcus / Sarah Hughes TEL NO: 2249 / 3087

WARDS TO WHICH REPORT RELATES: Citywide