

## **SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Neighbourhoods and Community Scrutiny Panel

**DATE:** Thursday, 31<sup>st</sup> October 2019

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**WARD(S):** All

### **PART I** **FOR COMMENT AND CONSIDERATION**

#### **HMO AND SELECTIVE LICENSING SCHEMES UNDER THE HOUSING ACT 2004**

##### 1. **Purpose of Report**

1.1 To provide to the Panel a progress report on the implementation of the property licensing schemes introduced in Spring 2019 under the Housing Act 2004.

##### 2. **Recommendation(s)/ Proposed Action**

2.1 The Panel is requested to note the summary of progress made so far in implementing the Licensing Schemes and to make any recommendations they deem appropriate to improve the efficacy of the schemes.

##### 3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

##### 3a **Slough Joint Wellbeing Strategy Priorities**

The thorough and effective licensing of HMOs and other privately rented properties directly supports the following priority:

- Housing

##### 3b **Five Year Plan outcomes**

The licensing of HMOs is also a key element of the following outcomes of the Five Year Plan:

- Slough will be an attractive place where people choose to live, work and stay
- Our residents will live in good quality homes.

##### 4. **Other Implications**

##### a) **Financial**

The financial implications of the licensing regime were discussed in detail in the report to Cabinet dated 18<sup>th</sup> March 2019. The Licensing fees in Slough are amongst the lowest in the UK but in order to incentivise landlords to come

forward, a commitment was made to offer an early bird discount to those landlords who made their licence application prior to 1st October 2019. This commitment was honoured and in order to assist landlords further the early bird discount was extended for a calendar month to 31<sup>st</sup> October 2019. This may have some impact on the Council's ability to cover the costs of the scheme.

b) Risk Management

There are no additional risks in addition to those listed within the Cabinet report.

c) Human Rights Act and Other Legal Implications

All policies and procedures introduced in relation to the licensing schemes have been formulated in accordance with relevant Legislation which has regard to Human Rights and is subject to legal scrutiny.

d) Equalities Impact Assessment

A detailed Equalities Impact Assessment was conducted during the consultation period and was submitted to Cabinet in March 2019 alongside the report recommending the implementation of the schemes.

5. **Supporting Information**

5.1 Following an extensive public consultation between November 2018 and January 2019, Slough Borough Council approved the proposal to implement two property Licensing Schemes under Parts 2 and 3 of the Housing Act 2004 to compliment the UK wide Mandatory Licensing scheme for Houses in Multiple Occupation which has been in place since 2006.

The necessary legal designations were made on 25<sup>th</sup> March 2019 and Public Notices were issued in accordance with the statutory requirements. Copies of the public notices of the designations can be found at the following location <https://www.slough.gov.uk/business/licences-and-permits/property-licensing.aspx>

5.2 The Housing Act 2004 allows a period of 3 months for legal challenges to any licensing designation made under that Act. No such challenges were made, and since 1<sup>st</sup> July 2019 the following Property Licensing Schemes have been in operation within Slough:

- Mandatory Licensing - This is a UK wide scheme that requires HMOs with 5 or more occupants to be licensed.
- Additional Licensing - This scheme applies to the whole of Slough borough and includes all HMOs which are not covered by the Mandatory Licensing Scheme.
- Selective Licensing - This applies to a specifically designated area (most of Chalvey and Central Wards) and covers all accommodation rented via an Assured shorthold tenancy or licence to occupy which is not an HMO i.e. let to one household.

5.3 The rationale and legal justification for introducing the schemes were set out in detail in the report to Cabinet in March 2019, but in summary the benefits of property Licensing are:

- Licensing schemes provide an effective policy framework to properly regulate and control the private rented sector;
- A property licensing scheme affords more protection to the most vulnerable tenants in the borough;
- Private tenants would have many more rights and protections when renting a licensed property, including written tenancy agreements and additional protections from eviction;
- Can deal with property related ASB at source e.g. by improving management and reducing rubbish/litter and fly tips;
- Opens up the use of civil penalties to deal with smaller HMOs and unlicensed selective properties;
- Identifies non-compliant landlords by their absence from the scheme and allows enforcement action to be targeted at the worst offenders rather than at the majority of compliant landlords;
- For licences, which have been granted the Council can charge an average fee for enforcement which will assist the Council in being able to afford effective enforcement of the sector
- Where housing defects are identified through licensing, landlords act more quickly to carry out repairs.

## **5.4 Progress to date**

### **5.4.1 Headline figures**

	Licence Type		
	Mandatory	Additional	Selective
Number of applications received	65	38	1269
Number of applications at draft licence stage	3	3	155
Number of final licences issued	14	10	213
Total Number of licensed (17/10/19)	127	10	213
Proportion of properties predicted to be licensable that are subject to an application (%)	5		36

### **5.4.2 The application process**

In order to improve the efficiency of the Licensing application process, and to ensure that licensing application fees could be kept as low as possible, Slough Borough Council procured software which would allow applications and payments to be made electronically via an online system linked to Slough Borough Council's web pages.

The online application system was launched on 04<sup>th</sup> June 2019. The application is cloud based and can be accessed via the following link: <https://slough.metastreet.co.uk>. There is also a link on the Council's website.

Users are required to create an account using their email address; this account can then be used to make multiple applications. The user is able to commence the application process, save the information and return to the application later. The user is also able to make payment of the licence application fee online using a debit or credit card.

After the application has been processed by the Housing Regulation Team and the licensing documentation issued, the user can log in to their account at any time to review their documentation, update their details and upload any additional safety certification.

It is understood by the Council that some landlords struggle to use technology or have no access to IT. With this in mind Property Licensing Coordinators from the housing regulation team have invited a number of landlords to the Council offices in order to assist them to make their applications. This service has been provided at no extra cost to the landlord, and very positive feedback has been given by landlords about this service.

### **5.4.3 Enforcing the Licensing Schemes**

In order to ensure the property licensing schemes achieve their objectives, they will need to be consistently and rigorously enforced. At the time the schemes were approved by Cabinet in March 2019, a commitment was made by the Housing Regulation Manager not to commence enforcing the schemes prior to the 1<sup>st</sup> October 2019. This deadline has now passed and the Housing Regulation Team are actively working with partners including Royal Berkshire Fire and Rescue Service, Thames Valley Police, internal colleagues from the Resilience and Enforcement Team and others, to begin the process of enforcement.

Since the beginning of October 2019, the Housing Regulation Team has carried out the following:

- Applied for 2 warrants of entry under the Housing Act 2004
- Carried out 1 street based operation

These activities have all been undertaken alongside the housing regulation officers' ordinary day to day work, which involves responding to complaints about disrepair, unlawful eviction etc. and undertaking casework which assists the Council with its efforts to sustain private tenancies and reduce homelessness.

Where landlords fail to make licence applications, the strategy is to take a graduated approach to enforcement, in line with the Council's Enforcement Policy. This will usually involve inviting landlords with unlicensed properties to come forward and apply for a licence. If no such applications are received in response to the Council's warning, the Local Authority will consider the various enforcement options available to them including issuing Civil Penalty Notices of up to £30,000 or prosecution through the Magistrates Court.

Landlords who have a history of non - compliance, or those that have put the public at serious risk of harm are likely to be treated more robustly and where legally justifiable, these landlords may be subject to immediate enforcement action and have their licence applications refused or any current licences revoked.

#### **5.4.4 Challenges and Successes**

As anticipated a number of challenges have arisen in the first few months of the scheme's implementation:

- The online application system is new to all users including Council staff, so personnel have been through a period of learning and development. This has been undertaken during a period of high traffic through the online application system, as landlords rush to apply before the expiry of the early bird discount. However, the new application process is still far more efficient than the paper based system the Council were operating previously and is far more user friendly for landlords.
- Recruiting suitably qualified staff has historically been a challenge for the Housing Regulation Team due to the technical nature of the job role. To date one additional member of staff has been appointed, recruited internally, to assist with the processing of the applications. Solutions are being sought, with the support of senior managers and HR, to resolve the problem of understaffing within the Housing Regulation Team.
- In order to carry out operations effectively and safely, it is often necessary for the Local Authority to engage partners such as Thames Valley Police and Royal Berkshire Fire and Rescue Service to provide support. Due to differing priorities and over-stretched resources, it can sometimes be a challenge to access the support needed in a timely and reliable manner and this can delay or undermine our enforcement activities in some areas. To overcome this, the Council has recently met with TVP inspectors to devise a mutually beneficial strategy for enforcing the Licensing schemes.
- Obtaining accurate and reliable information on the whereabouts of property owners and landlords is a logistical challenge due to the sheer number of privately rented properties affected by the schemes. Furthermore, concerns about data protection and privacy need to be addressed before any data is provided. As it is necessary to demonstrate a clear trail of communication directly with landlords for enforcement action to be taken, a lack of up to date contact information for landlords can lead to delays. However, progress has been made on this issue and a report has been commissioned which it is hoped will provide the data required.

As well as challenges the schemes are already conferring benefits:

- The publicity generated by the Licensing designations have raised the profile of the housing regulation service more generally so that tenants and landlords now understand what the service can and cannot do.
- Officers have been able to engage the professional landlords and letting agents, many of who we would never normally come across. This is important as through licensing we wish to encourage, support and promote good

landlords while targeting our enforcement resources on the rogue and criminal elements in the industry.

- The officers responsible for the implementation of the schemes are already beginning to work in a more intelligence-led and proactive way; as well as building relationships with other agencies. This will allow us to take a more holistic approach to improving housing, and the health and wellbeing of individuals and communities in Slough.

#### **5.4.5 Future Priorities**

- Procuring mobile inspection software to be used on site with a view to making the team smarter, more agile and efficient.
- Finding reliable ways to measure the effectiveness of the licensing schemes in order that they can be improved.
- Building on the already good relationship with Thames Valley Police and Royal Berkshire Fire and Rescue Service and build a multi-agency team to tackle a wide range of problems in the private rented sector.
- Engaging tenants and communities so that they can provide us with information and intelligence concerning unlicensed and poorly managed properties.

#### **6. Comments of Other Committees**

The policy for the licensing of private rented property was an agenda item for Cabinet on 18<sup>th</sup> March 2019 when the schemes were approved. The Housing Regulation Manager is due to report to Cabinet in July 2020 on progress with the schemes.

This report has not been taken by other committees.

#### **7. Conclusion**

Though the Council has experienced some predictable teething problems with the implementation of the licensing schemes they are already proving a useful tool for identifying rogue landlords and poor properties and they are increasingly being recognised by other agencies, such as Thames Valley Police as key tools in solving some of the wider problems in Slough including crime and anti-social behaviour and health inequality.

#### **8. Appendices**

NA

#### **9. Background Papers**

Agenda Papers and Minutes, Cabinet (18<sup>th</sup> March 2019).