

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhood and Community Service Scrutiny Panel

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PART I

FOR COMMENT & CONSIDERATION

HMO AND SELECTIVE LICENSING SCHEMES UNDER THE HOUSING ACT 2004

1. **Purpose of Report**

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

2. **Recommendation**

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 Wellbeing Strategy Priorities**

Housing is widely recognised as a key determinant of health and wellbeing.

The Local Authority Health Profile for Slough published earlier this year by Public Health England highlighted a number of areas where the health of people in Slough is worse than the England average. Research suggests that a number of these areas can be linked to poor housing conditions: -

- Early deaths from cardiovascular disease - damp and cold homes have been linked to an increased risk from respiratory and cardiac conditions and in turn to excess winter deaths
- Rate of hip fractures - Falls are most likely to occur in the home. Disrepair in residential properties for example to floors, stairs and handrails can increase the risk of falls on level surfaces, stairs and those associated with baths and showers
- Hospital admissions for violence - Research by the Police Federation identified a link between the levels of violence in communities and prevalence of houses in multiple occupation
- Rates of T.B. which are almost 4 times the UK average - TB and other infectious diseases can spread more easily where conditions are overcrowded and/or unsanitary

In addition there is emerging evidence of a link between an increased risk of Covid 19 and over-crowded housing.

As well as the impact on health, unsafe, unsuitable or insecure housing can also have a long term impact on a child's academic attainment and life chances. Shelters report 'Chance of a lifetime - The impact of bad housing on Children's lives' (2006), highlighted that children who grow up in poor housing are more likely to be unemployed or to experience poverty in adulthood.

The impact of housing on health and well being is recognised in the Slough Wellbeing Strategy 2020-25 which makes the improvement 'of the life chances of residents by focussing on areas such as housing...' a key ambition under Priority 3: Strong, healthy and attractive neighbourhoods.

The thorough and effective licensing of HMOs and other privately rented properties can directly support this ambition by providing a proactive regulatory framework for identifying and improving poorly maintained and badly managed privately rented homes. The impact of the schemes goes beyond individual tenants to the wider community, which benefits from reductions in anti-social behaviour and environmental crime, as well as improvements in the physical environment within their locality.

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 18th 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 31st October 2019. This may have some impact on the Council's ability to cover the costs of the scheme.

The Covid 19 pandemic and the restrictions imposed by Government to control the spread of the virus did result in a hiatus in the proactive enforcement of the schemes which may further impact the Council's ability to cover costs.

(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**

A summary of the schemes and Cabinet report of 18th March 2019 is provided as Appendix A to this report.

Progress to Date

A report on progress of the schemes was submitted to Neighbourhood and Community Services Scrutiny Panel in October 2019, which provides some background to the latest update.

Key Figures and successes

The table below gives figures for the schemes correct on 21/09/2020

	Licence Type		
	Mandatory HMO	Additional HMO	Selective
Applications Received	164	83	2182
Licences Issued	98	44	1564
Applications being processed	24	11	347
Total no. licensed properties	270*	44	1564
Proportion of properties predicted to be licensable subject to an application	10		62
* this figure contains properties licensed prior to the introduction of the current schemes.			

In addition the Housing Regulation Team has: -

- Recruited and trained 4 new Housing Regulation Officers and a new property licensing coordinator is due to join the team in October 2020
- Procured mobile inspection App to improve the efficiency of inspections of Licensed properties
- Conducted high profile joint operations with Thames Valley Police and built excellent relationship with Royal Berkshire fire and Rescue Service
- Actively investigating 4 persistent offenders with files currently being prepared for submission to Legal Services and
- Successfully utilised licence conditions to resolve long standing ASB matter in East of Slough

The application process

Early 'teething problems' arising from the introduction of new cloud based licence application software have largely been overcome and the Housing Regulation Team continues to work closely with the software developers to improve their offer and streamline the application process for both landlords and the Council.

The Council continues to offer landlords additional support with their applications where they struggle to use technology or find the process intimidating or confusing.

Enforcing the requirement to licence

An independent review of Selective Licensing Schemes in England, published by the Government in 2019, concluded that robust enforcement is crucial to ensuring Selective Licensing schemes achieve their objectives.

The Housing Regulation Team has undertaken both large scale multi - agency operations and small scale exercises to identify unlicensed properties and bring them into compliance. For example, a joint operation conducted in Alexandra Road in January 2020 resulted in the submission of 9 licences and the identification and remediation of a number of serious hazards including repairs to a badly installed boiler.

The Housing Regulation Team has taken an intelligence led approach, using data obtained through council tax, land registry and National Anti Fraud Network, to identify properties that might require a licence. 350 warning letters have been sent to landlords of properties we believe to be licensable, inviting them to make a licence application. Where the recipient of the warning letter fails to respond the property is allocated to a Housing Regulation Officer for further investigation.

This approach allows us to take a graduated approach to enforcement activity, educating landlords and maximising their opportunity to make a licence application, while taking a robust approach with those that persistently fail to respond to warnings.

In the majority of cases this methodology has resulted in non-compliant landlords making the relevant licence application. Where this is the case, and where the landlord has an otherwise unblemished record, the housing regulation team generally take the view, that despite their initial non-compliance it would not be in the public interest to pursue enforcement cases against such landlords.

However, there are landlords who persistently refuse to cooperate with the Council and place their tenants at risk and the housing regulation team are committed to holding these landlords to account through the imposition of fines or prosecution. Indeed housing regulation officers are currently pursuing a number of enforcement cases, both financial penalties and prosecutions, against non-compliant landlords.

Enforcing licence conditions

The Housing Regulation Team is currently focussed on enforcing the requirement to licence and consequently the broad scale inspection of licensed properties has

not yet been undertaken. The rationale for prioritising unlicensed properties is that unprofessional, negligent and rogue landlords that pose the greatest risk to tenants can often be identified by their absence from the licensing schemes; so it follows that focussing resources on identifying unlicensed properties will have the greatest benefit to residents.

However, where reports are received which relate to poorly managed licensed properties, the Housing Regulation Team does intervene, using licence conditions to compel landlords to cooperate with council and Police investigations. Indeed the team are actively involved in a number of ASB investigations where the presence of a Licence has been helpful in engaging otherwise reluctant property managers.

Challenges and successes

A number of significant challenges have arisen since the last report to the Scrutiny Panel in 2019:

- Recruiting suitably qualified staff has historically been a challenge for the Housing Regulation Team due to the technical and demanding nature of the job and until July 2020 the team had been operating with a number of vacancies. Administrative barriers, financial uncertainty and Covid 19 created significant delays in recruitment and hampered efforts to train newly appointed staff. Despite these extraordinary operational challenges, established housing regulation officers have succeeded in providing intensive support and mentoring to new staff and as a result of their considerable efforts, the team is far more resilient and better placed to deliver the licensing schemes than it was only 12 months ago. Having said that the current resourcing is still short of what was originally intended when the schemes were approved by Cabinet in 2019.
- It is important to note that Licensing forms only one part of the Housing Regulation Team's workload. The team is responsible for undertaking a range of functions including but not limited to the Council's statutory functions under Part 1 of the Housing Act 2004. This involves responding to complaints about deficiencies and hazards in private residential properties and taking appropriate action to remove those hazards. Such cases can be complex, protracted and resource intensive and managing this work alongside the licensing schemes inevitably means difficult decisions have to be made about the allocation of resources.

This is particularly challenging in winter when cold homes, damp and mould present a more significant and immediate risk to residents than during the summer months. Moreover the link between cold homes and an increased risk of harm from respiratory infections is likely to make winter in the height of the Covid 19 pandemic particularly difficult. It is recognised that in the longer term far greater emphasis needs to be placed on empowering tenants and landlords to resolve matters for themselves and the Housing Regulation Team intends to explore opportunities for better joint working on issues like fuel poverty and energy efficiency which will ultimately free up resources to focus on licensing.

- The Housing Regulation Team, like many others across the council has faced unprecedented operational challenges in recent months due to Covid 19. An inability to access Council buildings, lack of IT equipment and the requirement for a number of officers to 'shield' have made performing even simple tasks problematic. Moreover a delay in the provision of certain IT equipment has

prevented the roll out of our Licensing Inspection software, which requires officers to have access to an I-pad.

Despite these difficulties the Housing Regulation Team has continued to work throughout the lockdown, with officers utilising their own phones and IT equipment to maintain continuity of service to vulnerable residents. However, the current working arrangements, though important for infection control, has impacted the Housing Regulation Team's effectiveness and it may become necessary through the winter months to reduce our activities in some areas, for example in relation to lower risk hazards, in order that we are able to successfully deliver the Licensing schemes.

Priorities

The key objectives of the Housing Regulation Team for the next 6 months are:

- To scale up our licensing enforcement activities targeting persistent offenders
- To ensure as far as possible landlords that should apply for a licence, do apply for a licence
- To further promote the licensing schemes as a tool to tackle wider local problems such as anti-social behaviour and health inequalities
- To prioritise reactive work where tenants are most vulnerable or at risk of significant harm and where our interventions will have the greatest impact.

6. **Conclusion**

Despite the many challenges faced by the Housing Regulation Team in delivering the licensing schemes, good progress is being made in identifying unlicensed properties and bringing them into compliance. The immediate focus for the team in the next 6 months is to locate as many unlicensed properties as possible and to robustly enforce against those who persistently fail to make a licence application, as it is these landlords who are most likely to put their tenants at risk of harm.

7. **Appendices Attached**

Appendix A - HMO and Selective Licensing Summary of Cabinet report of 18th March 2019

8. **Background Papers**

Report to Cabinet – *Proposals For Private Rented Property Licensing* -18th March 2019

**Proposals For Private Rented Property Licensing – summary of Cabinet report
18th March 2019**

Introduction

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 25th 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>

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 1st 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.

Evidence

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 Council was able to evidence:

In relation to the additional licensing designation:

- That a significant proportion of the HMOs in the area were being managed sufficiently ineffectively as to give rise, or likely to give rise, to problems either for those occupying the HMOs or for members of the public;
- That consideration had been given to other courses of action available that might provide an effective method of dealing with the problems in question;
- That the designation will significantly assist the Council to deal with the problems

- That all reasonable steps had been taken to consult persons likely to be affected by the designations and that any representations had been properly considered

In relation to Selective Licensing:

- That the designated area has a high proportion of property in the private rented sector i.e. 20% or more. Central and Chalvey wards have a high proportion of PRS (over 50%);
- That a significant and persistent problem caused by anti-social behaviour or poor housing conditions existed in the designated area
- That consideration had been given to other courses of action available that might provide an effective method of dealing with the problems in question;
- That the designation will significantly assist the Council to deal with the problems
- That all reasonable steps had been taken to consult persons likely to be affected by the designations and that any representations had been properly considered

Benefits of Licensing

The specific benefits of a targeted licensing scheme are as follows.

Housing conditions and safety:

- Preventing overcrowding by specifying the number of people and households permitted in the property.
- Ensuring gas and electrical safety by requiring the landlord to have a valid gas safety certificate and provide an electrical appliance test report to the council.
- Ensuring fire safety by ensuring that the landlord tests all smoke alarms and fire equipment. The licence requires the landlord to provide a copy of periodical test certificates/reports to the council.
- Ensuring the good condition of the property by requiring the landlord to inspect the property at least every six months.

Anti-social behaviour:

Licensing offers information and extra powers covering a range of common ASB issues, including:

- requiring the landlord to take steps to address anti-social behaviour with tenants
- requiring the landlord to ensure there are formal arrangements for the disposal of rubbish and bulky waste.
- working in partnership with landlords to reduce and prevent ASB at an early stage.

General:

- Improved management and conditions of privately rented accommodation and significantly increased identification and level of enforcement against criminal landlords.

- Allows a framework for councils to be proactive and not just reacting to complaints.
- Provides a quicker response and resolution rate by landlords to tenant complaints about repairs.
- Licensing will require absentee or unprofessional landlords to employ a professional property management approach to actively manage their properties and make sure suitable arrangements are in place to deal with any problems that arise.
- Promotion of landlord accreditation and encouraging landlords to let property to a higher standard and to act in a professional manner. Improvement of the image and desirability of the borough.

Licensing Fees:

The Current fee structure is as follows:

	Part A	Part B	Total	
Selective licence (houses with one family or two people who aren't related)	£200	£300	£500	
HMO licensing fee (additional and mandatory)	£450	£300	£750	For houses that have more than six rooms: additional charge of £30 per room.