

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbour and Renewal
Scrutiny Panel

DATE: 16th June 2011

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WARD(S): Chalvey

PART I **FOR COMMENT & CONSIDERATION**

A PROPOSAL TO IMPLEMENT ADDITIONAL HOUSES IN MULTIPLE OCCUPATION LICENSING FOR CHLAVEY WARD

1. **Purpose of Report**

The purpose of this report is to present the proposal to implement an additional licensing scheme for the Chalvey ward to this meeting for comments and consideration and to take those views forward to Cabinet on the 18th July 2011

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

The Committee is requested to recommend approval for the implementation of the additional licensing scheme for the Chalvey ward to Cabinet on the 18th July 2011.

3. **Community Strategy Priorities**

The report contributes to all of the the Community Strategy Priorities, in particular:

- **Being Safe, Feeling Safe**
- **A Cleaner, Greener place to live, Work and Play**
- **Prosperity for All**

It does this by

- maximising the supply of affordable housing
- making best use of existing buildings,
- strengthening communities to make sure all our neighbourhood are safe, viable and attractive areas to live
- promote independent living
- Improve housing conditions in all sectors
- Make sure new homes are built to a high standard

4. **Other Implications**

(a) **Financial**

We intend to adopt the same fee structure as Mandatory Licensing which was agreed by Cabinet in 2006. This charging scheme is based on time taken to process the application. Rates vary from a standard rate where an application is

complete and does not require a verification inspection to a higher rate where the application is incomplete and requires an inspection etc. It is intended to retain the discretion to charge more where additional resources are needed. . We will offer discounts to landlords with multiple licensable HMO's within the borough and if they are accredited by a recognised body such as the National Landlords Association.

Whilst the legislation allows for our costs to be recovered in full the council needs to take into consideration the impact of these charges on the availability of this type of accommodation e.g. an increase in fees could potentially create an increase in rent. Unfortunately there is already a significant problem with HMOs being unaffordable to many. This is evidenced by the number of HMOs in Slough which operate on a "bed renting" basis's which is particularly common in the migrant population.

In addition the council approved £100,000 for 11/12 for this work to be continued as part of the exit strategy for the migration project – improving housing conditions in the privately rented sector

(b) Risk Management

Some significant risks, threats and opportunities associated with the approval or otherwise of the recommendations made in section 2 of this report, together with any proposed actions, with timescales, to mitigate the identified risks/threats.

Recommendation	Risk/Threat/Opportunity	Mitigation(s)
If scheme to introduce a licensing scheme for Chalvey ward is approved	Opportunity - Introduction will allow effective use of council resources from several service areas Opportunity to make a real difference to health and well being of the population in poor housing conditions	Close working with the community wardens and public health and referral process with a number of other service areas set up Actions taken to address threat
	Risk – focusing resources in one ward/impact on others areas	Landlord unlikely to move out of Chalvey to other areas due to difficulties and cost of selling as opposed to the cost of the Licence
	Risk of loss of HMO type accommodation	Have a range of measure in place to support and encourage landlords to continue letting
If scheme is not approved	Threat – not having an effective scheme in place would lead to poor management of properties and have a detrimental affect on area	Encouragement for use of support organisation such as the national landlords association and residential landlords associations

	Threat - Increase in poor conditions in the privately rented sector	Continuation of inspections and joint working with landlords and others
	Risk - Poor housing leading to poor neighbourhoods and lack of economic investment	Continuation of inspections and joint working with landlords and others
	Risk - Poor housing conditions leading to increased resources being spent on health and social needs	Effect targeting of limited resources and close working with other services

(c) Human Rights Act and Other Legal Implications

In the housing Act 2004 the Government introduced a national licensing scheme for larger HMOs that are a minimum of three storey high, have five or more bedroom (people) living there and sharing of facilities such as bathrooms. In Slough we have been licensing these larger HMOs since the housing act was implemented in 2006.

Local Authorities have options to enhance the mandatory scheme by either widening the types of HMO's a licensing scheme covers, seek approval for an additional licensing scheme or adopting selective licensing to deal with particular problems in an area such as low housing demand or anti-social behaviour.

Section 56 of the Housing Act 2004 gives local authorities the power to designate certain areas or the whole of the areas within the district as subject to additional licensing. The local authority then has power to require that all of the HMOs in that area that are not licensable under the mandatory scheme should be licensed under the additional licensing scheme. The maximum duration for an additional scheme in five years. Guidance from the communities and local Government (CLG) also has to be taken into consideration.

In order to adopt either scheme the Local Authority must consult widely and justify the need and obtain approval from its members. Until March 2010 discretionary licensing schemes could only be set up with approval from Communities and Local Government (CLG). On 1 April 2010, the government issued a general consent order, so schemes can now be approved by local authority councillors. At the time of the order, CLG Commissioned Local Government Regulation (LACORS) to provide guidance and support for councils setting up Licensing schemes to ensure that the same rigor as was applied as was required for specific consent from CLG. The councillor check list attached in Appendix B forms part of a set of guidance notes for local authorities, aims to help Councillors gauge how well they have met the legislative requirements in relation to discretionary licensing.

There are no Human Rights Act Implications from this report.

(d) Equalities Impact Assessment

An EIA initial screening of the council's enforcement policy and this proposal has been carried out and show that there is no adverse impact for age, religion and sexual orientation.

5. Supporting Information

5.1 **Additional Licensing**

Chalvey has been chosen as one of the first wards in which to introduce additional licensing because:

- There is strong evidence of significant and persistent problems of anti social behaviour taking in and around the location of HMO's affecting other residents and the local community and landlords are not taking steps to reduce the problems. Tenants in some Chalvey HMO's are known to be engaged in street prostitution, anti social drinking and the street drug market.
- The activities of the private sector housing team in terms of enforcement action taken against landlords of HMOs indicate a higher number of houses with overcrowding and poor amenities where landlords are failing to take action.
- The external condition of some of HMOs in the area adversely impact upon the general character and amenity of the area. In our recent consultation about additional licensing 90% of Chalvey residents thought that badly maintained homes were bad for the neighbourhood
- It meets the criteria as set out in the CLG guidance and Housing Act 2004

5.2 **Proposed Scheme**

5.2.1 Although additional licensing will give the Council increased powers to regulate HMOs in the area we also see this as an opportunity to help landlords of HMOs in this area. We intend to continue to offer these landlords training and encourage them to work towards attaining accreditation.

5.2.2 The decision for Chalvey has been made based upon results from our consultation process, advice from the department of Communities and Local Government (CLG) and our ability to resource the scheme. However we will review the scheme after it has been operating for a full year and look again at other areas in Slough that might benefit from this kind of action.

5.2.3 The consultation proposed that only two storeys HMO's with five or more tenants (that do not fall within the mandatory scheme) would be licensable. However after taking into consideration the comments contained within the responses and the need for a scheme that officers were able to police effectively, we now propose a scheme that would make all HMOs (that are not already covered by mandatory licensing) within Chalvey licensable. Our experience with mandatory licensing has been that some landlords have been known to reduce the number of tenants in the house from 5 to 4 in order avoid the property being subject to mandatory licensing, These properties have continued to be poorly managed and have had to be regularly monitored as it is common for these landlords to put tenants back into the property once officers have stopped monitoring the property. It is intended that by applying the additional licensing scheme to all HMOs in Chalvey not

covered by mandatory licensing we avoid the scenario of a poorly managed HMO that falls outside of both schemes.

5.3 **Licensing Conditions**

We intend to adopt the Mandatory licensing conditions as set out within Schedule 4 of the Housing Act 2004 and will use Part 1 of the Housing Health and Safety Rating System (HHSRS) and the HMO Management Regulations to deal with any other areas as necessary.

5.4 **Duration of the Scheme**

We intend to operate the scheme for the initial five-year period and will monitor its success in line with our annual performance monitoring process. This will cover numbers of properties licensed and also numbers of properties improved to an acceptable standard in terms of the housing act 2004 and the Decent Homes Standard. We will consult with partners and local residents to ascertain their views on whether it is necessary to continue with the scheme. We will also review its effectiveness after the initial year of its implementation to determine whether the scheme should be extended to further ward(s).

5.5 It has been recognised that the recent surge of unregulated HMO's within this ward has had a detrimental effect on the area. We consider that establishing additional licensing will make a significant and tangible contribution to the other initiatives currently being taken by the local authority to improve this part of Slough for the residents and businesses of Chalvey.

5.6 **Effects of additional licensing on other areas outside Slough**

5.6.1 We consider that there would be no detrimental effects on adjoining areas if the scheme were to be introduced. The nearest local authority to the Chalvey ward is Windsor and Maidenhead. It is unlikely the introduction of additional licensing to Chalvey would lead to landlords moving from Chalvey to set up HMOs in the adjacent area as the housing stock within a mile of Chalvey is not readily adaptable for HMO use. House prices within that area would also be prohibitive. There is unlikely to be any effect in other authority areas that are not adjoining. In South Bucks house prices are again likely to be prohibitive and in general migrant workers who live in HMOs in Chalvey tend to work in Slough either on the trading estate or in relatively low paid construction and retail jobs. Public transport links between Slough and the Spelthorne area are poor and people are unlikely to want to travel from Spelthorne to Slough. In the London Borough of Hillingdon the areas most likely to attract landlords from Chalvey, for example, West Drayton, are already part of an additional licensing scheme Hillingdon introduced recently.

5.6.2 It is unlikely that landlords would go to the expense of selling their properties in Chalvey only to purchase similar houses in other wards in order to avoid the need to license.

5.6.3 We consider that a discretionary licensing scheme would have a positive effect throughout Slough. Due to the extent of the problem in Chalvey and how time consuming the enforcement process can be, over the years a disproportionate amount of officer time has been expended trying to improve properties in this ward, compared to other wards. We expect that after the first 9 months of its introduction landlord compliance with the relevant legislation will be greatly improved which will free up our limited resources to tackle similar problems in other wards. It will also send out a clear message to landlords that the council will not tolerate a situation where the safety of tenants is being put at risk.

5.6.4 An additional benefit is that this scheme would make a significant contribution to the campaign to improve the image and standing of Slough as a good place in which to work and live

5.7 **Partnership working**

- In order to deliver this initiative effectively we have over the last 12 months built upon existing links with internal and external groups , particularly with the Planning, legal Berkshire Fire and Rescue services and the National Landlords Association (NLA)
- We also understand the valuable contributions that that be made to this initiative from the various charities and organizations that are based in Slough and in particular in Chalvey
- The private sector housing services has formed a strong link with the NLA and they deliver training to slough landlords which will contribute to properties being managed well

6. **Comments of Other Committees**

This report will be considered by Cabinet at its meeting on 18th July 2011. Any Comments received by the Scrutiny Panel will be forwarded to Cabinet.

7. **Conclusion**

The introduction of additional licensing will make a significant contribution to the strengthening of communities as areas around Slough with HMOs have three times a greater concentration of anti social behaviour incidents than the rest of Slough. Other benefits of licensing include contribution to community cohesion in that noise and rubbish complaints can be dealt with more swiftly as landlords must attend to these matters as a condition of his license. This eases the tensions between landlords, occupants of the HMO and the neighbours

Similar schemes in other parts of the country demonstrate that the targeting of resources together with additional regulation can prevent an area becoming blighted, assist in wider regeneration and encourage investment and for a ward such as Chalvey offers may benefits

8. **Appendices Attached**

'A' - The Proposal to Implement Additional HMO Licensing for the Chalvey ward. Copies of this document are available from Democratic and Member Services on 01753 875120.

9. **Background Papers**

'1' - Analysis of Anti-social Behavior occurring near to Houses in Multiple Occupation, in Slough Evidence Led Solutions August 2010

'2' - 2009 Private Sector Stock and HMO Condition Survey November 2009 Final Report. Fordham Research

'3' - The English Indices of Deprivation 2004 Summary for Slough

'4' - Housing Act 2004

'5' - Communities and Local Government Guidance – Approval steps for additional and selective licensing designations in England