



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

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

Housing is one of the 4 priority areas in the Joint wellbeing strategy. It states ‘the links between housing and wellbeing are well documented – where people live can have a significant impact on the quality of their lives. There are strong evidential links between the quality of someone’s home and their life chances; including educational attainment for children and young people, employment prospects, social participation and sense of belonging to a local community’

Property licensing can be an effective tool for tackling some of these key priority areas; preventing or controlling overcrowding, improving conditions and reducing ASB. It is well documented that overcrowding, has a serious and lasting impact on health and the psychological well-being of families, especially young people which negatively affects their life chances. Licensing can improve the overall condition of properties and controls the number of permitted persons allowed to occupy a licensed property.

#### 3b **Five Year Plan Outcomes**

The new Housing Strategy, in line with the Slough’s updated 5 Year Plan recognised the Housing as a key determinant of improving health, well-being, social mobility and educational attainment. Taking into account that around 33% of the housing stock is made up of PRS; an effective / fit for purpose regulatory approach is paramount in improving this sector which is rapidly growing. Key data is provided in the supporting information section below

The 5 Year Plan and Housing Strategy objectives are;

- Improving housing conditions across tenure
- To provide the local landlords with support and guidance to run a professional business and maximise their return whilst better protecting their assets
- Drive out Rouge Landlords from Slough
- Deal with ASB and make Slough a safe place to live and work

Outcome 4 of the five-year plan identifies Housing as a key priority. The plan makes specific reference to introducing a new landlord licencing/registration scheme to help regulate the private rented sector and improve the quality of housing across the borough. Licensing can be an effective in improving conditions in this rapidly increasing sector and should be an option explored by the Council. To carry out a licensing statutory consultation is the start of meeting the priorities set out in the five-year plan. The results and evidence base will be reported back to cabinet in early 2019 for members to decide on whether to proceed.

In addition, Outcome 3 of the five-year plan relates to making Slough an attractive place to live, work and stay and outlines performance measures relating to street cleanliness, crime rates and residents’ perception. Anti -social behaviour remains the single most negative issue that local residents are experiencing and concerned about. The summary data and graphs within this report clearly demonstrate the extent of ASB and its prevalence, there is a clear correlation with the PRS and HMOs which is mainly due to poor management and the transient nature of this population within the sector. ASB is what most residents care about and would want a sustainable solution to reduce / eradicate the incidents of ASBs. A licensing

framework provides an opportunity to deal with many of the ASB issues at source which provides a cost effect and sustainable method to bring this issue under control. Examples of common ASB related to the PRS are; rubbish in front gardens, fly tips, overflowing domestic bins, abandoned mattresses and noise. Licensing these properties can often deal with this type of ASB by requiring property managers to take an active role in reducing these nuisances.

#### 4 **Other Implications**

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

The current fee of £572 for a mandatory HMO licence does not meet the cost of processing the licence or enforcement. The new proposed fee of £650 for processing and £300 for enforcement will meet the costs incurred by the service for this statutory function. Case law (*R (on the application of Hemming (t/a Simply Pleasure Ltd)) v Westminster City Council (2017)*) has confirmed that fees such as those proposed in this report should be split so that applicants pay a fee that covers the administrative costs involved of processing the application and then if the application is successful an addition fee can be due to cover enforcement costs. In addition, another recent case (*R(Gaskin) v LB Richmond Upon Thames (2018)*) has confirmed that the fee charged should be limited to the cost of the procedures and formalities of the authorisation concerned (eg. new application, renewal etc).

In respect to the consultation for the proposed Additional and Selective licensing schemes a fee proposal will be included in the consultation and may vary depending on the final size of the scheme if Members decide to introduce a scheme. The larger the number of properties covered, the cheaper per unit the scheme will be due to economy of scale savings.

A financial model has been developed which broadly sets out the range of fees taking into account forecasted income and expenditure based on the predicted number of properties that may be licensed. If a licensing scheme is proposed the fees will cover the cost of this additional work stream and a more detailed financial model will be presented to members. Fees must be set at a level which meets the cost of the scheme, be justified and structured in a way which is legally complaint. No surplus can be made.

There will however be some costs to the service for carrying out the consultation this is to be met within the existing budget. The service will also be implementing a software solution to upgrade its existing processes and offer an on-line application process for businesses and landlords currently not available. This is estimated to be in the region of £15,000 to £25,000.

##### (b) **Risk Management**

<b>Risk</b>	<b>Mitigating action</b>	<b>Opportunities</b>
<b>Legal:</b> If a decision is taken to proceed with the consultation it must be carried out in	To provide a legally robust consultation by following the detailed guidance available and requirements of the statute and case law.	Licensing can provide a powerful framework to regulating the private rented sector and driving up accommodation

<p>compliance with statutory and case law requirements.</p> <p>License fees must be set out and charged in accordance with case law.</p>	<p>To ensure that fees are set and charged as required by recent case law and the underlying legislation.</p>	<p>standards. In time the service could become self-sustaining through licensing fees.</p>
<p><b>Property:</b> N/A</p>	<p>None</p>	<p>Improve conditions within the private rented sector(PRS)</p>
<p><b>Human Rights:</b> N/A</p>	<p>None</p>	<p>None</p>
<p><b>Health and Safety:</b> N/A</p>	<p>None</p>	<p>To improve health and Safety of private tenants</p>
<p><b>Employment Issues;</b> None</p>	<p>None</p>	<p>None</p>
<p><b>Equalities Issues:</b></p>	<p>None</p>	<p>None</p>
<p><b>Community Support:</b> N/A</p>	<p>None</p>	<p>None</p>
<p><b>Communications:</b> Lack or inadequate communication could result in dissatisfaction from stakeholder groups. If licensing proceeds the consultation would need to have been communicated thoroughly at this stage to meet legal guidelines.</p>	<p>To work with Customer Service or Corporate Communication team to develop an effective communication strategy</p>	<p>To reach private landlords and tenants and deliver information and awareness of their Rights and Responsibilities. To use licensing as an opportunity to engage with landlords</p>
<p><b>Community Safety:</b> No risk</p>	<p>None</p>	<p>To improve community safety and the communities perception of their area by tackling poor management of privately rented housing which is often associated with anti-social behaviour.</p>
<p><b>Financial :</b> Members are being asked to authorise the commencement of a consultation The setting up of a successful licensing</p>	<p>Investing appropriately at an early stage will help deliver a well thought out evidence-based scheme. This is likely to speed up any deployment, set fees at a level which will</p>	<p>Income received from licensing fees should cover the costs involved in running the scheme The use of new civil penalties can be retained by the Local Authority and</p>

<p>scheme requires some initial investment to set up the scheme and put in place infrastructure such as Online App that automates the back office function. The other key requirement is a comprehensive consultation cost of which may not be recoverable if Schemes are not agreed</p>	<p>meet costs and limit any legal challenge.</p>	<p>used to further the Local authority's statutory functions in relation to their enforcement activity covering the private rented sector.</p>
<p><b>Timetable for delivery:</b> A delay could impact delivery against the 5-year plan</p>	<p>A deliverable project plan has been developed.</p>	<p>To prepare an effective proactive programme to improve PRS</p>
<p><b>Project Capacity:</b> Insufficient capacity poses a significant risk of the Council failing to meet the requirements of the consultation its statutory obligations.</p>	<p>Funding has been set aside to build capacity. Licensing income can be used to assist in the set-up of a licensing processing systems and administration of the scheme</p>	<p>To build on the overall Housing Regulation capacity and capability to improve PRS which houses nearly a third of Slough's residents</p>
<p><b>Other:</b> None</p>	<p>None</p>	<p><b>None</b></p>

(c) Human Rights Act and Other Legal Implications

Every reasonable effort will be made to consult with all those who may be affected. There are detailed guidelines to be followed to for the statutory consultation.

(d) Equalities Impact Assessment

Section 149 of the Equality Act 2010 created the public sector equality duty. Section 149 states that:-

A public authority must, in the exercise of its functions, have due regard to the need to:

- Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

The **Equality Duty** ensures that public bodies consider the needs of all individuals in their day to day work, particularly any potential impact on protected groups – in shaping policy, in delivering services, and in relation to their own employees.

An equalities impact assessment (or screening) will be carried out prior to any consultation exercise being undertaken and this will also be re-evaluated after the consultations.

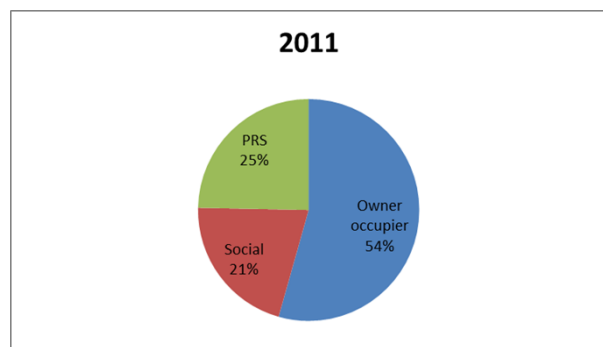
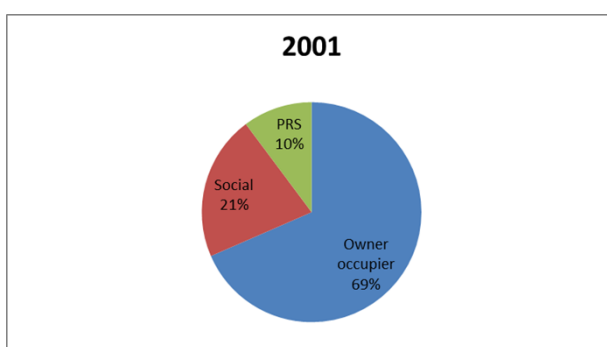
The proposals in this report about extending the licensing scheme (subject to consultation) could affect all those involved in or living in private rented property; tenants, landlords, managing agents, estate agents, developers etc. It is however considered that this should generally have a positive impact. There will, nonetheless, be a further EQIA if, following consultation, there is a proposal to introduce the schemes.

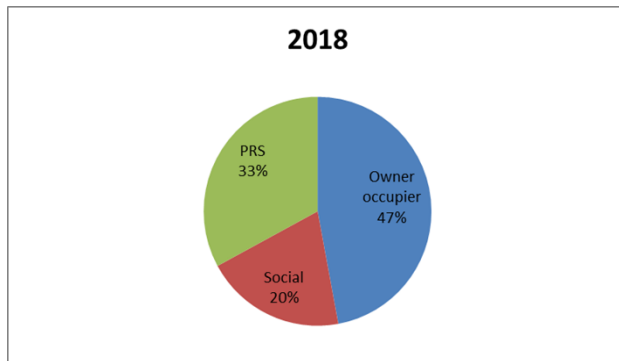
## 5. Supporting Information

In line with priorities and action plans identified within the Outcomes 3 & 4 of Slough’s 5 Year Plan and Theme 2 of the Housing Strategy 2017 we carried out a more detailed analysis of the Private rented sector in Slough to better understand the changes in the tenure profile of the Borough and their impact on the community.

Census data published in 2011 is now quite dated and the trend in the South East has been a significant increase in the rental sector away from owner occupation since 2001. The three graphs below show tenure make up in 2001 (ONS) and 2011(ONS) and modelling completed in 2018.

<b>Tenure change</b>				
<b>Year</b>	<b>Owner occupier</b>	<b>Social</b>	<b>PRS</b>	<b>Totals</b>
2001	30144	9382	4500	44026
2011	27212	10476	12348	50036
2018	25481	10825	17818	54124





Recent modelling has shown that the PRS continues to grow and is now estimated to be 33% of the total stock.

All economic forecasts predict that this trend is going to continue for the foreseeable future, due primarily to wages not keeping up with house prices meaning limited access to mortgages for residents to become owner occupiers in the area.

The Heathrow expansion is also predicted to put pressure on the housing supply; new employment opportunities are likely to bring in more people to the borough wanting to live near their work. These new jobs are likely to be relatively low paid which in turn will increase demand for rental properties.

All survey data identifies private rental properties as having the worst housing conditions and the most overcrowding. The English House survey stock condition report 2016 noted that 'in 2016-17, 38% of private renters lived in poor housing (defined as a home that has serious damp or mould, a Category 1 HHSRS hazard, is non-decent, or has substantial disrepair)', a much higher percentage than in any other tenure group. With a rapidly growing PRS there needs to be an effective way of regulating this sector. Although most landlords provide decent accommodation, as the numbers of PRS rise, so do the proportion of PRS that require regulation.

The current legal framework based on reactive inspections and serving improvement notices requiring works was developed with a 2001 PRS figure and cannot be effectively scaled to meet the pressures of dealing with 1 in 3 households in the Borough.

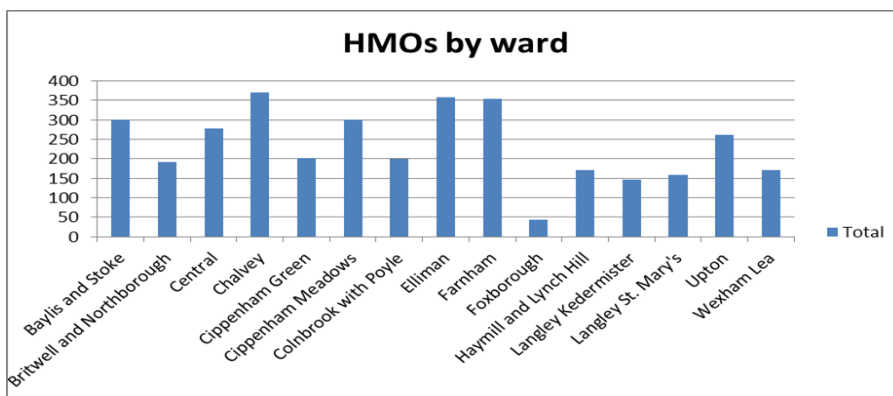
Some Boroughs in London, which have experienced this growth before Slough, have found that requiring rental properties (in addition to the mandatory scheme) to be licensed has enabled them to regulate this sector at the scale now required.

Some benefits of additional and selective licensing are outlined below;

- 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 flytips
- Opens up the use of civil penalties to deal with smaller HMOs
- Identifies non-compliant landlords by their absence from the scheme and allows enforcement action to be targeted at the worst offenders rather than at majority of compliant landlords.
- For licenses that 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.

The definition of mandatory HMOs has been amended recently, however this will only bring a relatively small number of HMOs within the mandatory framework in October 2018. The numbers of HMOs have grown overall and are located throughout the Borough, it is now estimated that there are 3509.



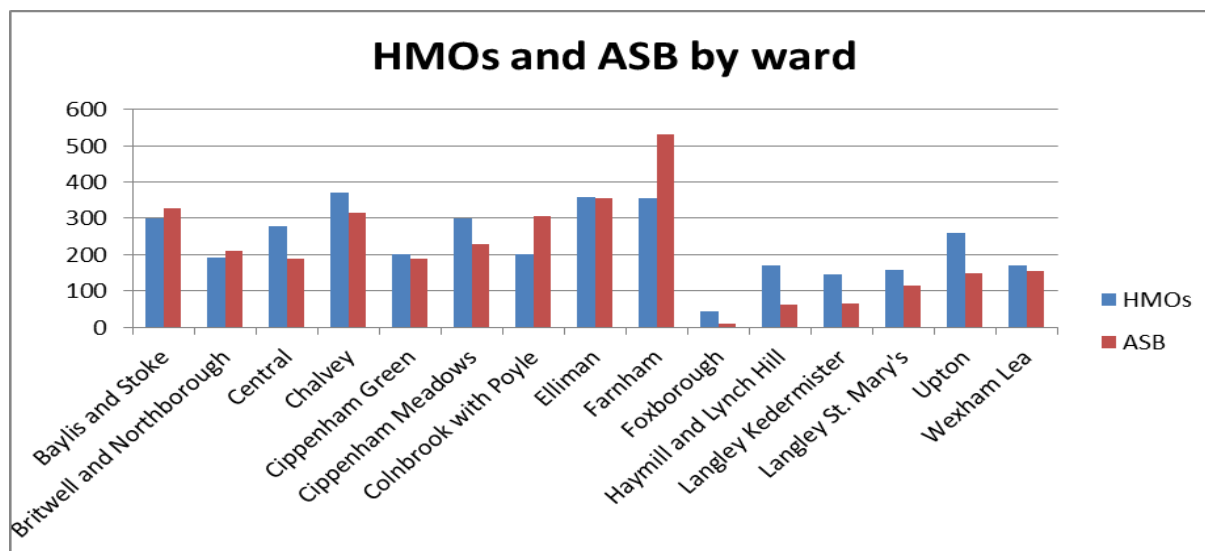
In line with the requirement of Part 2 & 3 of the Housing Act, which is detailed in Appendix 2; officers looked at the impact of the PRS and indeed its rapid disproportionate growth on the local community. The key findings are outlined in the tables and data below. If a decision is made to proceed with a statutory consultation a detailed evidence pack is required to be provided as part of the consultation and to meet the evidential test to introduce a licensing scheme.

The research and analysis done to date indicates that the housing conditions, ASB and level of PRS meet the prescribed criteria.

The tables below show the number of ASB incidents between 2013-2018 originating from HMOs and total numbers of HMOs in each ward

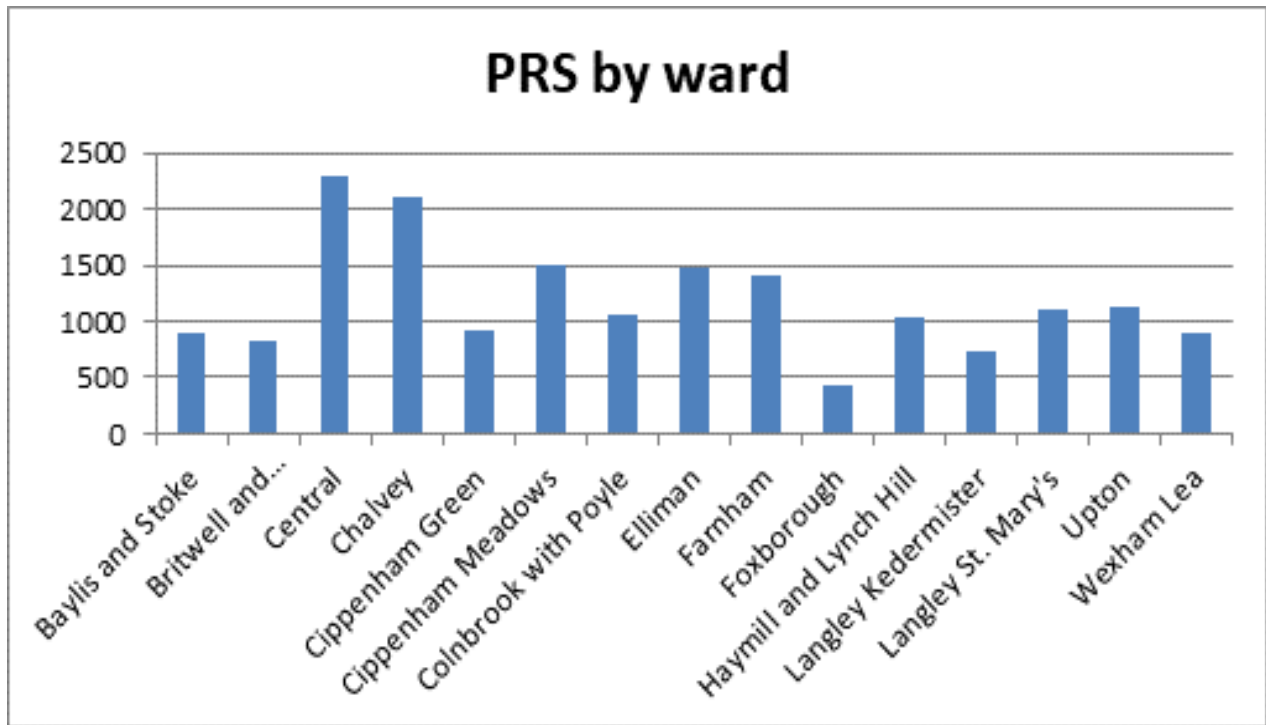
These graphs clearly demonstrate a strong link between HMOs and the above average ASB incidents. Although the incidents of ASB related to HMO in Farnham Ward stand out; overall, they are consistently high across the borough. Therefore, an additional licensing scheme throughout the borough will provide an important tool in addressing this particular issue.



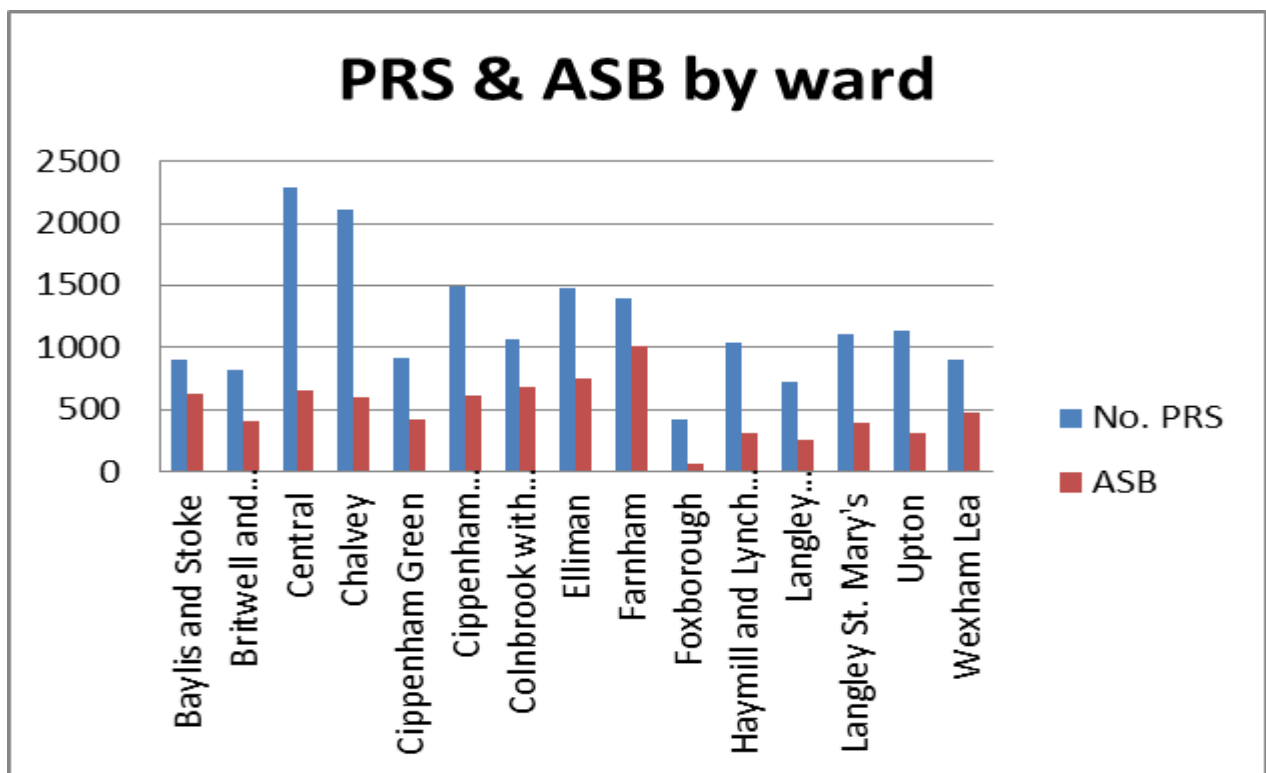


Data also shows that Central (51.5%) and Chalvey (50%) ward has by far the highest proportion of PRS, which is one of the reasons why this ward has been identified as one that could benefit from selective licensing.

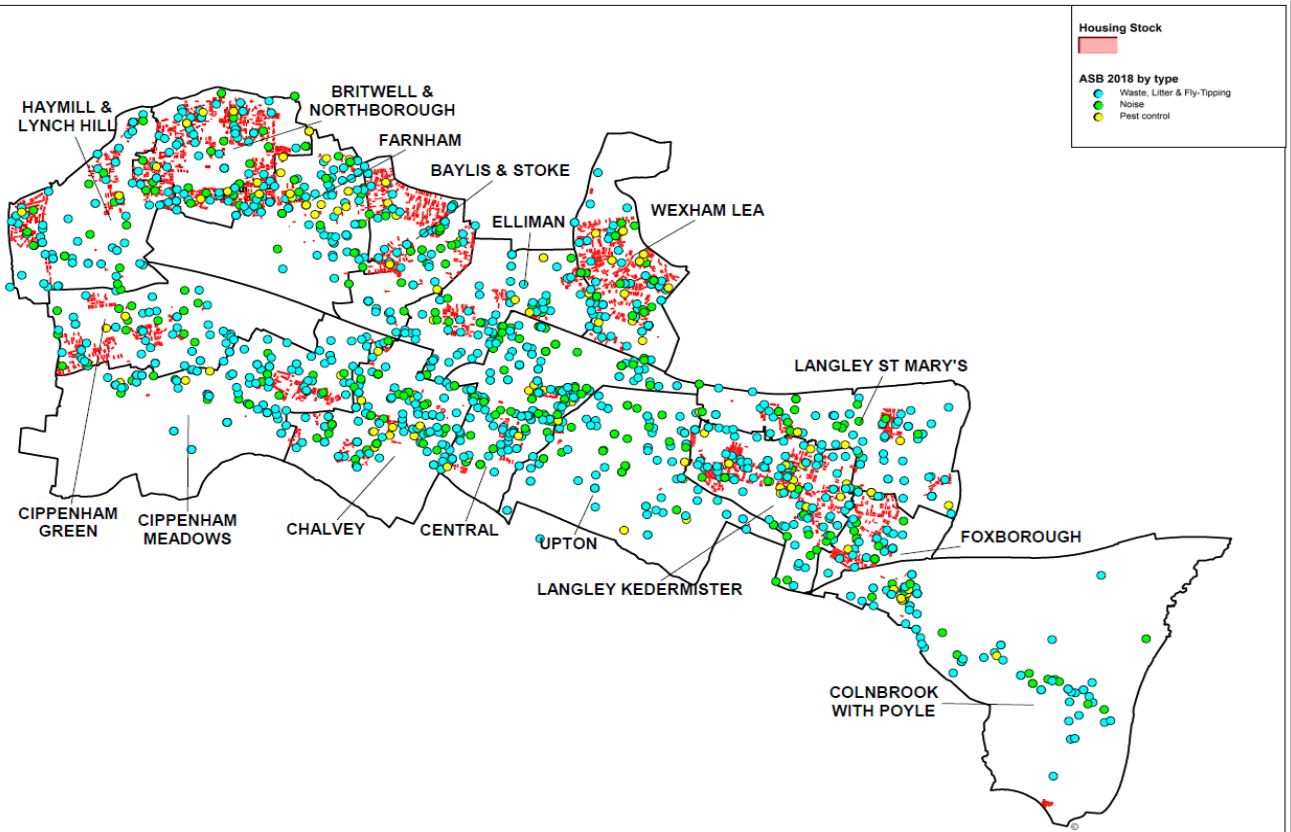
Ward	No. PRS	Total housing stock	% PRS
Baylis and Stoke	901	2973	30.3%
Britwell and Northborough	823	4110	20.0%
Central	2296	4458	51.5%
Chalvey	2109	4226	49.9%
Cippenham Green	921	3840	24.0%
Cippenham Meadows	1499	4515	33.2%
Colnbrook with Poyle	1066	2566	41.5%
Elliman	1479	3236	45.7%
Farnham	1400	3725	37.6%
Foxborough	427	1506	28.4%
Haymill and Lynch Hill	1035	4215	24.6%
Langley Kedermister	727	3852	18.9%
Langley St. Mary's	1110	4014	27.7%
Upton	1129	3240	34.8%
Wexham Lea	896	3647	24.6%
Grand Total	17818	54123	32.9%



The ASB shown in these tables is only ASB incidents that have occurred in or related to properties which are privately rented.



The Map below is a snapshot of ASBs in the Borough in 2018. All the indications are that the prevalence and concentration of ASBs correlate with areas with high proportion of HMOs and PRS. As detailed above, our analysis strongly indicate the link between PRS and ASBs. This will however be mapped for the required consultation stage to clearly demonstrate this correlation.



## 6 Comments of Other Committees

There are no other comments of other committees

## 7 Conclusion

All data sources confirm that the PRS is growing rapidly in Slough, particularly HMOs. It is well documented (English House survey) that PRS properties have the worst housing conditions in any tenure and are often seriously overcrowded. The above graphs show there are high levels of ASB associated with private rented properties.

Research and analysis indicate that conditions prevalent in the PRS meet the prescribed evidential criteria for licensing; a borough wide additional HMO scheme and for the 2 wards which have 50% PRS, Chalvey and Central.

A statutory consultation requires a detailed evidence pack to be produced for the public which sets out the evidence, objectives of any scheme, alternatives considered, fee proposals and licensing conditions. Consultation responses must be formally considered and used to shape any final scheme.

A licensing consultation will enable the council to make an informed decision on whether to introduce additional and/or selective licensing schemes and understand the financial costs and benefits of doing so.

The review of mandatory HMO fees was required due to the; change in the legal definition of mandatory HMOs bringing more properties into the scheme, to properly reflect the cost of processing these licenses and how the fee is structured to bring it in line with recent case law.

8 **Appendices Attached (if any)**

Appendix 1 - Proposed Mandatory HMO fees

Appendix 2 – Summary of the legal framework for additional and selective licensing schemes

9 **Background Papers**

Slough 5 Year Plan

Slough Housing Strategy 2017

## Appendix 1

### Mandatory Licence fees

#### Current fees for Mandatory Licensing

Initial fee for 5 bedrooms or less - £572 (plus £10 for each additional bedroom)

Extra work - officer rate per hour - £33

Extra work - administration per hour - £27

#### Proposed Mandatory Fees

Fees to be simplified and separated between processing and enforcement/administration

	Part A	Part B
Mandatory fee standard	£650	£300
Additional rooms over 7	£30 per room	

## Appendix 2

### Summary of the legal framework for Additional and Selective Licensing Schemes

1. Under the Housing Act 2004 (the Act), a Local Housing Authority has the power to designate the whole or any part or parts of its area as being subject to Selective Licensing and/or Additional Licensing for HMOs. The effect of designation is that all privately rented properties in a designated area, would require a licence. In order to make new designations, the council will need to meet certain requirements set out in the Act (see below).
2. Before designating a Selective Licensing Area, the council must consider:
  - a) that the area is experiencing a significant and persistent problem caused by anti-social behaviour which is not being dealt with by some/all private sector landlords and that designation will in combination with other measures lead to a reduction in or elimination of the problem.
  - b) that its area is or is likely to become an area of low housing demand and that the conditions in the areas will be improved by the designation combined with other measures;
3. Additional criteria were added by DCLG Guidance issued in 2015 to include poor property conditions, high levels of migration, high levels of deprivation and high levels of crime.
4. Before designating an Additional Licensing Area, the authority must consider that a significant proportion of the HMOs of the relevant 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.