

SLOUGH BOROUGH COUNCIL

REPORT TO: Neighbourhood and Community Services Scrutiny Panel

DATE: 1st November 2018

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WARD(S): All

PART I **FOR COMMENT AND CONSIDERATION**

LICENSING OF HOUSES IN MULTIPLE OCCUPATION

1. **Purpose of Report**

To provide the Panel with an update on Slough Borough Council's (SBC) strategy for the licensing of houses in multiple occupation.

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

2.1 The Panel is requested to note the update in respect of the policy for licensing houses in multiple occupation (HMOs).

2.2 The Panel is requested encourage their constituents and stakeholders to take part in the consultation that began on 29th October and will run for 10-12 weeks.

There is a dedicated consultation page on this subject matter setting out full details of the schemes and includes a Survey Monkey questionnaire through which we are seeking all stakeholders views. We are also organising a number of focus group sessions to take on-board views of residents, Landlord, Managing Agents in slough as well as the local business to design a scheme that help our residents to live in decent homes. Living in decent homes and neighbourhoods is the basic and fundamental element of health and thriving communities.

We would appreciate the Member's support in achieving a meaningful and comprehensive Consultation participation

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 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 are discussed in the report. There are no implications to the compilation of this report.

b) Risk Management

There are no additional risks in addition to the ones listed within the Cabinet report. In addition, after completion of the Statutory Consultation, the result of the consultation and options will be submitted to the Cabinet to make the final decision.

c) Human Rights Act and Other Legal Implications

The licensing of HMOs will be subject to the Licensing of Houses in Multiple Occupation Order 2018, which came into force on 1st October 2018.

d) Equalities Impact Assessment

The policy has been subject to Equalities Impact Assessments as required during its compilation. No assessment has been necessitated by the commissioning of this report.

5. **Supporting Information**

- 5.1 As stated in Section 2.2, new legislation has seen the licensing regime become subject to the Order which became effective last month. As a result, SBC has taken this opportunity to revisit its policy and make a series of alterations which are both in line with the law and also local requirements. This report will outline the situation regarding mandatory licensing, the proposals being made and the pilot scheme to be ran in the Chalvey and Central ward areas.

Mandatory licensing

- 5.2 The Council has a statutory duty to License Houses in Multiple Occupation (HMOs) within the private rented sector (PRS) under Part 2 of the Housing Act 2004. The scope of the Mandatory HMO Licensing Scheme has been extended to cover smaller HMOs. The extended Mandatory Licensing Scheme has come into force from 1st October 2018.

- 5.3 Although the new expansion of the Mandatory Licensing Scheme is welcomed and will cover a greater number of HMOs, but from Slough's point of view will not go far enough to improve conditions of HMOs in Slough. Considering the makeup, condition and impact of the incremental increase in the private rented sector in Slough, through Slough's 5 Year Plan, Members included the introduction of property licensing within Slough's 5 Year Plan under Outcome 4 specifically and Outcome 3 by association. The proposed Borough wide HMO Licensing aims are to help good Landlords better manage their investment and improve housing condition for the residents whilst giving the Council more tools to tackle poor quality rented homes and rogue / criminal landlords.
- 5.4 Councils may also consider introducing Selective Licensing (Part 3,) in one or more wards if they satisfy a certain criteria in accordance with the Act.
- 5.5 The latest analysis of the housing stock in Slough shows that over 33% of the housing stock in Slough is in the private rented sector which is comparable with top quartile of London Boroughs. Considering the current large disproportionate PRS (Private Rented Sector) which is rapidly growing further, we believe at the current level in Slough we have over 3500 HMOs that would require license under the proposed scheme. In addition as it is proposed; if Members agree to approve licensing of all rented homes under the Selective Licensing of 1 or 2 wards, this figure will be between 5500 to 7000 depending on whether both or one of the proposed wards is selected.

Proposals for licensing

- 5.5 The cabinet unanimously approved and welcomed the proposal recommended by the report and carry out a statutory consultation in respect of the following schemes:
- a Borough wide Additional Licensing scheme for all Houses in Multiple Occupation (HMO)
 - a targeted Selective Licensing scheme covering all properties rented to single households in Central and Chalvey Wards
- 5.6 The report outlines the key facts of Slough's private rented sector (PRS) in which 1 in 3 residents now live; and sets out the rationale for this proposal which aims to improve the sector which has the lowest quality accommodation as well as limiting the adverse impact of these properties on local residents and communities
- 5.7 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'
- 5.8 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.

- 5.9 As always, Members' support is crucial in introducing a scheme that improves housing conditions and the overall neighbourhoods in the borough by improving management of private rented sector and removing / reducing ASBs. The scheme aims to support good Landlord and drive out the rogue elements from the market. This is detailed in the Cabinet report which is available as a background paper.

Chalvey and Central pilot

- 5.11 Our data analysis shows that around 51.5% of housing stock in Central Ward is made up of PRS and very similar picture in Chalvey Ward where 50% of the Housing stock is PRS. By any standard this amount to disproportionate tenure breakdown which result in range of ASBs and other issues highlighted in the Cabinet report. Through this proposal we intend to effect the condition and management of PRTS which will in turn improve the entire neighbourhood

6. **Comments of Other Committees**

The policy for the licensing of private rented property was an agenda item for Cabinet on 17th September 2018

This report has not been taken by other committees.

7. **Conclusion**

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. This will also help the Council to concentrate its efforts on rogue and criminal landlords / agents who give the sector bad name.

8. **Appendices**

None

9. **Background Papers**

Agenda Papers and Minutes, Cabinet (17th September 2018)