

## Slough Borough Council

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| <b>Report To:</b>                   | <b>Cabinet</b>   |
| <b>Date:</b>                        | 20 <sup>th</sup> April 2026  |
| <b>Subject:</b>                     | Discretionary Property Licensing   |
| <b>Lead Member:</b>                 | Cllr Ejaz Ahmed, Lead Member for Communities, Sport, Leisure and Public Protection |
| <b>Chief Officer:</b>               | Tessa Lindfield, Director of Public Health   |
| <b>Contact Officer:</b>             | Laura Roberton, Head of Public Protection  |
| <b>Ward(s):</b>                     | All  |
| <b>Purpose of report:</b>           | For decision   |
| <b>Key Decision:</b>                | Yes  |
| <b>Exempt:</b>                      | No   |
| <b>Decision Subject To Call In:</b> | Yes  |

### Appendices:

Appendix A - Private Rental Sector and Houses in Multiple Occupation - Housing Stock Condition and Stressors Report (February 2026)

Appendix B – Equality Impact Assessment

### 1. Summary and Recommendations

The Housing Act 2004 (“the Act”) allows Local Authorities to designate the whole, or any part or parts of their area, as subject to additional licensing covering Houses of Multiple Occupation (HMO) not falling under the existing mandatory scheme, and selective licensing covering privately rented homes let to a single family, a single person, or a household of up to two unrelated sharers.

### Recommendations:

Cabinet is recommended to:

- (a) Agree that the conditions for additional licensing have been met, and that a 10-week consultation should now take place in pursuance of a designation covering all wards
- (b) Agree that the conditions for selective licensing have been met, and that a 10-week consultation should now take place in pursuance of a designation covering all wards.
- (c) Note that a report will come back to Cabinet in September/October 2026 providing a detailed analysis of the outcome of the consultation and seeking a decision informed by this.

### Reason:

Additional and selective licensing designations are forms of discretionary property licensing schemes that require Cabinet approval prior to consultation and adoption. Local Authorities were previously required to seek permission from the MHCLG for large (more selective licensing designations, however on the 23<sup>rd</sup> December 2024 a new General Approval came into force and local housing

authorities in England are no longer required to obtain confirmation from the Secretary of State before implementing a selective licensing scheme of any size.

## **Commissioner Review**

Any designation such as is being asked for in this report, needs to be consistent with the housing strategy, reflect the wider homelessness challenges, empty properties, and anti-social behaviour, and be based on data and evidence. This report covers off all those points apart from not aligning with the Housing Strategy as it has not yet been written. It is now of pressing urgency that this Strategy is completed, led by colleagues in the Regeneration, Housing and Environment Directorate. Authorities are not expected to profit from licensing; they have the discretion to charge fees which cover the cost of running these schemes, and as is the case set out here. They must be proportionate to the scheme's operational costs and given the Councils financial position should not be subsidised by the Council's general fund.

## **Report**

- 2.1 Section 3 of the Act requires local housing authorities to not only keep the housing conditions in their area under review, but also to identify any action that may need to be taken by them to respond to issues that are identified.
- 2.2 The private rented sector is the second largest (28.6%) housing sector after owner occupation in the Borough and the Council is committed to tackling issues within this sector. Discretionary property licensing is one of the tools available to the Council to ensure that all privately rented properties within a defined area meet a minimum housing standard and that appropriate property management practices are in place.
- 2.3 Sections 56 and 80 of the Act allow the Council to designate the whole, or any part or parts of the Borough as subject to discretionary property licensing. The introduction of discretionary licensing would require all private rented accommodation of a prescribed type, which is let or occupied, is done so under a licence. Although the Council has discretionary powers to implement property licensing, once adopted, it is mandatory for a landlord to apply for a licence.
- 2.4 There are two types of discretionary licensing that the Council can implement. Selective licensing covers privately rented homes let to a single family, a single person, or a household of up to two unrelated sharers, whilst additional licensing applies to smaller Houses of Multiple Occupation not covered by the mandatory licensing rules and includes properties with three or four tenants who share amenities e.g. a kitchen or bathroom.
- 2.5 There are specific conditions set out in the legislation that must be met before an additional licensing scheme can be considered. These are set out in Sections 56 and 57 of the Act.
- 2.6 Section 56(2) of the Act advises that an additional licensing designation may only be made if the Council considers that a significant proportion of the HMOs in the proposed designation 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.
- 2.7 An additional licensing scheme can also include converted blocks of flats known as Section 257 HMOs. Section 257 of the Act applies to whole converted properties, rather than individual dwellings, and describes an HMO as a building:
  - which has been converted into and consists of self-contained flats;
  - where the conversion work did not comply with the appropriate building standards and still does not;
  - where less than two-thirds of the flats are owner-occupied.

The appropriate building standards are those required by the Building Regulations 1991 or 2000 (whichever were in force at the time of the conversion).

2.8 It is the Council's intention to include Section 257 HMOs in any future additional licensing designation.

2.9 The table below shows the predicted number of HMOs by ward, and the number of reported issues across several key areas related to this housing type over the last five years.

| Ward                             | Predicted no. HMOs | No. of property complaints received | No. of private rented sector housing notices issued | No. of Planning enforcement notices issued | No. of ASB incidents |
|----------------------------------|--------------------|-------------------------------------|---|--|----------------------|
| Baylis & Salt Hill               | 95                 | 29                                  | 12  | 12   | 70                   |
| Britwell                         | 13                 | 1                                   | 0   | 2  | 7                    |
| Chalvey                          | 166                | 42                                  | 14  | 35   | 125                  |
| Cippenham Green                  | 49                 | 8                                   | 2   | 13   | 21                   |
| Cippenham Manor                  | 51                 | 7                                   | 6   | 19   | 50                   |
| Cippenham Village                | 73                 | 2                                   | 3   | 42   | 32                   |
| Colnbrook & Poyle                | 114                | 11                                  | 6   | 15   | 39                   |
| Elliman                          | 67                 | 10                                  | 5   | 20   | 20                   |
| Farnham                          | 90                 | 20                                  | 12  | 38   | 58                   |
| Haymill                          | 25                 | 3                                   | 2   | 2  | 18                   |
| Herschel Park                    | 368                | 50                                  | 35  | 186  | 170                  |
| Langley Foxborough               | 42                 | 7                                   | 3   | 0  | 18                   |
| Langley Marish                   | 60                 | 9                                   | 4   | 12   | 25                   |
| Langley Meads                    | 67                 | 6                                   | 4   | 18   | 43                   |
| Langley St Mary's                | 85                 | 4                                   | 4   | 27   | 36                   |
| Manor Park & Stoke               | 38                 | 8                                   | 5   | 4  | 16                   |
| Northborough & Lynch Hill Valley | 19                 | 3                                   | 2   | 2  | 9                    |
| Slough Central                   | 361                | 26                                  | 14  | 279  | 88                   |
| Upton                            | 128                | 10                                  | 7   | 48   | 44                   |
| Upton Lea                        | 75                 | 17                                  | 9   | 13   | 27                   |
| Wexham Court                     | 38                 | 3                                   | 4   | 14   | 5                    |
| <b>Total</b>                     | <b>2024</b>        | <b>276</b>                          | <b>153</b>  | <b>801</b>                                 | <b>921</b>           |

2.10 Although predicted HMOs only make up 3.5% (2,024 of 58,450) of all housing in the Borough, they account for a significant number of housing complaints and enforcement activity, ASB incidents, and planning issues.

2.11 Between 2020 and 2025, a total of 2752 ASB incidents were reported to the Council, with incidents linked to a predicted HMO accounting for 33.5% (801). In the same period, 1998 planning enforcement notices were issued, with 40.1% (801) linked to a predicted HMO.

2.12 Over the same period, of the 369 housing enforcement notices served in respect of private rented sector housing in the Borough predicted HMOs accounted for 41.5% (153) of these.

2.13 The table below shows the predicted number and proportion of HMOs with serious hazards.

| Ward                             | Predicted number of HMOs | Predicted number of HMOs with serious hazards | Percentage of HMOs predicted to have serious hazards |
|----------------------------------|--------------------------|---|--|
| Baylis & Salt Hill               | 95                       | 32  | 33.7%  |
| Britwell                         | 13                       | 2   | 15.4%  |
| Chalvey                          | 166                      | 57  | 34.3%  |
| Cippenham Green                  | 49                       | 5   | 10.2%  |
| Cippenham Manor                  | 51                       | 10  | 19.6%  |
| Cippenham Village                | 73                       | 6   | 8.2%   |
| Colnbrook & Poyle                | 114                      | 23  | 20.2%  |
| Elliman                          | 67                       | 17  | 25.4%  |
| Farnham                          | 90                       | 21  | 23.3%  |
| Haymill                          | 25                       | 7   | 28.0%  |
| Herschel Park                    | 368                      | 104   | 28.3%  |
| Langley Foxborough               | 42                       | 6   | 14.3%  |
| Langley Marish                   | 60                       | 9   | 15.0%  |
| Langley Meads                    | 67                       | 14  | 20.9%  |
| Langley St Mary's                | 85                       | 16  | 18.8%  |
| Manor Park & Stoke               | 38                       | 9   | 23.7%  |
| Northborough & Lynch Hill Valley | 19                       | 3   | 15.8%  |
| Slough Central                   | 361                      | 62  | 17.2%  |
| Upton                            | 128                      | 21  | 16.4%  |
| Upton Lea                        | 75                       | 22  | 29.3%  |
| Wexham Court                     | 38                       | 6   | 15.8%  |
| <b>Total</b>                     | <b>2024</b>              | <b>452</b>                                    | <b>22.3%</b>   |

2.14 As can be seen from the table above, nearly a quarter (22.3%) of properties predicted to be an HMOs have a serious hazard.

2.15 The data shown in paragraphs 2.9 and 2.13, along with the statements in 2.10 to 2.12, clearly demonstrate that there is a link between HMOs and high levels of antisocial behaviour, non-compliance with planning conditions, and poor housing conditions.

2.16 It is important to note that the planning status of a property does not impact property licensing, with the two regulatory regimes operating independently. If the property meets the definition of an HMO (three or more persons made up of two or more unrelated households and sharing common parts) it remains licensable regardless of its planning status. Furthermore, if the Council failed to license a licensable property, the landlord would be unable to take possession action to reduce the level of occupancy, thereby being unable to rectify any planning breach.

2.17 It is the Council's view that a significant proportion of HMOs in the Borough 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.

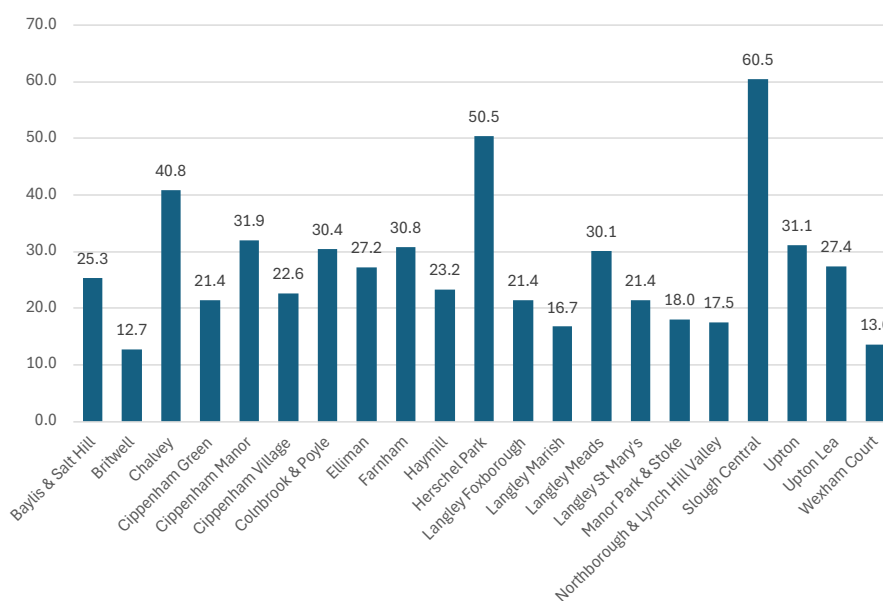
2.18 A selective licensing designation may be made if the area to which it relates satisfies one or more of six conditions detailed in the Act, namely:

- Low housing demand (or is likely to become such an area)
- A significant and persistent problem caused by anti-social behaviour attributable to the private rented sector
- Poor property conditions
- High levels of migration

- High level of deprivation
- High levels of crime

2.19 Where the designation is to be based on property conditions, migration, deprivation or crime, the local authority may only make a designation if the area has a higher proportion of property in the private rented sector than the England average (currently 19%). Whilst private rented sector housing makes up less than 19% of all housing in some wards, it makes up 28.6% of the Borough's total housing stock.

2.20 The predicted percentage of private rented housing in each ward is shown in the chart below.



2.21 As can be seen from the table, private rented accommodation makes up a significant proportion of the Borough's housing stock in all areas, with the Chalvey, Herschel Park, and Slough Central wards having a particularly high (40%+) percentage of private rented housing.

2.20 Following a review of the available data, the Council believes that selective licensing will contribute towards improving housing conditions. The legislative context for this can be found in condition 4 of The Selective Licensing of Houses (Additional Conditions) (England) Order 2015.

2.21 The table below shows the predicted number of self-contained private rented sector properties by ward and the number and percentage of properties of this type with a serious hazard.

| Ward               | Predicted number of self-contained private rented dwellings | Predicted number of self-contained with one or more serious hazards | Percentage of private rented dwellings with one or more serious hazards |
|--------------------|---|---|---|
| Baylis & Salt Hill | 768   | 69  | 9.0%  |
| Britwell           | 300   | 16  | 5.3%  |
| Chalvey            | 940   | 268   | 28.5%   |
| Cippenham Green    | 496   | 56  | 11.3%   |
| Cippenham Manor    | 927   | 74  | 8.0%  |
| Cippenham Village  | 650   | 57  | 8.8%  |
| Colnbrook & Poyle  | 832   | 136   | 16.4%   |
| Elliman            | 501   | 53  | 10.6%   |
| Farnham            | 753   | 81  | 10.8%   |
| Haymill            | 584   | 81  | 13.9%   |

|                                  |              |             |              |
|----------------------------------|--------------|-------------|--------------|
| Herschel Park                    | 2091         | 603         | 28.8%        |
| Langley Foxborough               | 505          | 49          | 9.7%         |
| Langley Marish                   | 370          | 39          | 10.5%        |
| Langley Meads                    | 712          | 72          | 10.1%        |
| Langley St Mary's                | 394          | 78          | 19.8%        |
| Manor Park & Stoke               | 387          | 44          | 11.4%        |
| Northborough & Lynch Hill Valley | 482          | 43          | 8.9%         |
| Slough Central                   | 1374         | 236         | 17.2%        |
| Upton                            | 768          | 112         | 14.6%        |
| Upton Lea                        | 580          | 107         | 18.5%        |
| Wexham Court                     | 272          | 17          | 6.3%         |
| <b>Total</b>                     | <b>14686</b> | <b>2291</b> | <b>12.7%</b> |

- 2.22 The percentage of properties predicted to have hazards is higher than the national average of 10%. This, in conjunction with the Borough having more than 19% of housing stock made up of private rented sector housing, meets the requirement for consulting on a proposed selective licensing designation for the reason of poor housing conditions.
- 2.23 The Council will improve properties in any future designation using a combination of informal and formal actions, including the service of statutory notices and civil penalties. Licence conditions will also ensure that landlords meet a minimum standard, with inspections confirming compliance.
- 2.24 Addressing issues found in the private rented housing sector can make an area safer and more desirable to live in, fostering a greater sense of stability and community pride. Where anti-social behaviour is reduced, residents feel safer in their homes and communities, leading to improved mental well-being, greater social cohesion, and increased engagement in positive activities.
- 2.25 For any future schemes to meet their objectives, compliance inspections of licensed properties would have to be undertaken. Inspections would not only allow the Council to confirm compliance with licence conditions but also provide an opportunity for the identification of unauthorised outbuildings (see 2.26). The inspection process may also reveal other issues such as child neglect, domestic abuse, and modern-day slavery, with officers reporting concerns to the appropriate safeguarding body or signposting the tenant to appropriate agencies.
- 2.26 The Council is aware of the high prevalence of “beds in sheds” in the Borough. “Beds in sheds” refers to illegal shed living where a garden building or other outbuilding is being used as living accommodation without meeting building regulations or having the correct planning permission. While some structures are converted into dwellings legally, many do not meet minimum standards like proper insulation, safe electrics, or toilet and wash facilities. As previously stated in 2.16, the planning status of a dwelling does not impact property licensing, with the two regulatory regimes operating independently. If the dwelling is licensable under either additional or selective licensing, it must be licensed regardless of its planning status. Compliance inspections, along with tenants self-reporting, will help identify this accommodation type. Where the Council becomes aware of an unlawful outbuilding, details will be passed to Planning Enforcement for action, with Housing Regulation and/or Property Licensing officers taking whatever action is deemed necessary to remove any hazards identified and ensure compliance with the licence conditions.
- 2.26 During the period (up to 5 years) of an additional or selective licence, there will be a compliance inspection and/or desktop assessment of the property to ensure that the licence conditions are being adhered to. Some properties may be subject to multiple inspections over the course of the licence if officers have concerns about the Licence Holders ability to adhere

to the licence conditions. Where it is identified that licence conditions are not being adhered to, enforcement action would be taken in line with the Council's enforcement policies.

- 2.27 Sections 56(3) and 80(9) of the Act requires the Council to take reasonable steps to consult persons who are likely to be affected by the designation and consider any representations made in accordance with the consultation. Such consultation should be over a period of at least 10 weeks. Once the consultation has been completed the results should be published and made available to the local community.
- 2.28 The Council will ensure that the views of all stakeholders are considered, including residents, tenants, landlords, and where appropriate their managing agents, and other members of the community who live or operate businesses or provide services within the proposed designation, are sought and considered. The view of neighbouring authorities will also be sought. The Council will ensure that the consultation is widely publicised using various channels of communication including social media, press releases, flyers, and information on the Council's website and consultation platform.
- 2.29 In addition to the consultation being supported by a detailed evidence report, a short, easier to read summary evidence report will also be made available. This evidence report will give the reasons for proposing the schemes, why alternative remedies are insufficient, set out how the Council will tackle specific problems together with other measures, and set out the proposed outcome of the designations. It will also set out the proposed fee structure. Consultees will be encouraged to share their views and advised that all views will be considered and responded to if needed or requested.
- 2.30 Sections 60(3) and 84(3) of the Act requires the Council to review the operation of any discretionary property licensing designation in place from time to time. As part of the best practice guidance for selective licensing, Local Authorities are requested to publish the outcome of any reviews that they undertake in respect of the schemes in a timely manner on their website. If approved, a review of both schemes will be undertaken after the first year of operation and annually thereafter for the duration of the schemes (up to 5 years).
- 2.31 The results of the consultation will be presented to Cabinet in a further report and requested to make further recommendations as appropriate. The results of the consultation will also be made available on the Council's consultation platform

### **Options considered**

The Council has considered several other courses of action to address the issues described in this report, however, the Council does not believe that either individually, or collectively, that they would prove sufficiently effective, or be as an effective means of tackling poor property conditions the private rented sector and the issues connected to HMOs.

The Council's enforcement powers in respect of the private rented sector are largely provided by the Housing Act 2004 ("the Act"), with other public health legislation being applied where necessary and appropriate. Under the Act, formal notices can be served that require improvements to be carried out. Should these improvements not be carried out, the Council can carry out works in default if a notice is not complied with. Landlords may be prosecuted if they do not comply with a notice, however, formal action is generally a slow process with appeal provisions against most types of notices served. This can significantly delay the time for compliance.

Where a landlord does not complete repairs, works in default can be undertaken by the Council, but this is expensive and time consuming for the Council, with the risk that costs will not be recovered without significant delays. Whilst enforcement action is a powerful tool, it is still reactive, and does not place any obligations on private rented sector landlords to be proactive in improving housing conditions and property management standards.

Discretionary property licensing will provide a mechanism which allows for a co-ordinated approach for strong and effective partnerships, which will link agencies and services together for the benefit of tenants and the communities they live in.

## **Background**

Between 1<sup>st</sup> July 2020 and 30<sup>th</sup> June 2024 a Borough-wide additional licensing designation was in operation, with a selective licensing designation operating across the Chalvey and Slough Central wards.

Although there are no additional conditions in legislation directly relating to the renewal of an additional or selective licensing scheme, the non-statutory guidance recommends that a summary of outcomes is provided where possible and details of whether the desired outcomes in the previous scheme were delivered or not.

Over the five-year duration of the previous schemes, 149 properties were licensed under the additional licensing designation, and 3635 properties were licensed under the selective licensing designation.

A review of the operation of the previous schemes has identified the importance of having sufficient staffing resources to identify properties, particularly HMOs, which are licensable but not licensed, and the fee structure supports the staffing required. In addition, effective communication with landlords and tenants is key to ensuring that both are aware of the legal obligation on a landlord to licence their property, and that tenants know how to report an unlicensed accommodation.

In 2025 the Council commissioned a private sector housing stock modelling report (Appendix 1). The report found:

- There are a predicted 16,710 private rented properties in the Borough, making up over a quarter (28.6%) of the total housing stock of 58,450. This is higher than the national average of 19%.
- There are a predicted 2024 HMOs across the Borough.
- 2291 or 12.7% of self-contained private rented properties are predicted to have a serious (immediate risk to health and safety) hazard. This is higher than the national average of 10%.
- 22.3% of HMOs are predicted to have a serious hazard.
- Between 2020 and 2025, incidents and enforcement action which related to a predicted HMO included:
  - 2752 ASB incidents were reported to the Council, with incidents linked to predicted HMO accounting for a third (33.5%).
  - 1998 planning enforcement notices were issued, with 40.1% linked to a predicted HMO.
  - 369 housing enforcement notices were served in respect of private rented sector housing in the Borough with 41.5% in relation to an HMO.

The Corporate Plan 2023-2027 sets out three strategic objectives that the Council wishes to achieve. These objectives are:

- 1) A borough for children and young people to thrive
- 2) A town where residents can live healthier, safer and more independent lives
- 3) A cleaner, healthier and more prosperous Slough

The quality of the homes in which our residents live has a major impact on their lives, in particular the lives of the Borough's children. Poor housing severely impacts a child's physical health through respiratory issues caused by damp and mould, and mental well-being including anxiety and stress,

and lower attainment at school, due to poor concentration resulting from overcrowding living conditions and poor housing.

The implementation of selective and additional licensing will contribute to improving community safety and tackling anti-social behaviour, providing a safer town to grow-up, and contributing towards affordable, safe and healthy homes. Specifically, property licensing will improve the quality of private rented housing in the Borough by ensuring that all privately rented properties meet a minimum housing standard, providing tenants with more stable homes, and helping with building stable communities.

Licensing will also contribute to alleviating fuel poverty as measures to improve property standards will ensure that heating appliances are properly checked, maintained, and working efficiently. The licence application process will also ensure that properties meet the minimum energy efficiency requirements.

Discretionary property licensing will support the delivery of future homelessness strategies (due for review in 2026). The number of residents being made homeless from the private rented sector has increased sharply over with last five years with 126 households approaching the Council for housing assistance in 2020/21 due to loss of, or threat of losing, private rented housing, and 384 in 24/25. Households approached the Council for a number is reasons, including disrepair in their property. By ensuring that landlords meet a set housing management standard it would be expected that there would be a reduction of households presenting as homeless or threatened with homelessness due to disrepair.

Where appropriate, the Council can discharge its homelessness duty by offering a household suitable accommodation in the private rented sector. Licensing will ensure that any property in the Borough offered to a household in discharge of our duties meets a minimum standard and should issues arise in the future, that the Council has the resources to act quickly and effectively to address any issues identified.

In addition, a landlord who is required to have a licence but does not, loses the right to gain possession of the property, thereby offering extra protections from illegal evictions. The Licence Holder will also be required to supply to the occupiers of the house a written statement of the terms on which they occupy the property. This is usually a tenancy or licence agreement. This ensures that tenants understand their commitments and that of their landlord, but also the agreement in terms of length of tenancy and notice periods. This adds the protection of occupying under a legal framework.

Given that the private rented sector plays such an important role in meeting the housing needs of the Borough's residents, we anticipate that discretionary property licensing will support the Council's emerging Housing Strategy by empowering renters to understand and exercise their rights, and to hold landlords to account where those rights are not upheld.

Discretionary licensing will also support the delivery of Slough's existing Health and Wellbeing Strategy 2021-2026, and the draft Joint Local Health and Wellbeing Strategy 2026-2036. These strategies are collaborative plans led by the Slough Wellbeing Board, a partnership of local public, private, and voluntary organisations, aiming to improve residents' health, and are guided by priorities including starting well, integration, strong neighbourhoods, and workplace health, to tackle inequalities and create a healthier community. The causal link between poor housing conditions and poor health outcomes is long established. The independent Marmot Review (2010)<sup>2</sup> said housing is a "social determinant of health" meaning it can affect physical and mental health inequalities throughout life. By addressing poor housing conditions and raising property management standards, the proposed licensing schemes will contribute towards improving the health and wellbeing of the Borough's private rented sector housing residents.

### **3. Implications of the Recommendation**

#### **3.1 Financial implications**

- 3.1.1 The evidence report supporting the consultation will contain details of the indicative fee structure. The report to Cabinet following the consultation will set out the proposed fee for approval. Sections 63(7) and 87(7) of the Act permits the Council to require any application for a licence under Part 2 (covering additional and mandatory HMO licensing) and Part 3 (covering selective licensing) to be accompanied by a licence fee, and that this fee may only cover all costs incurred by the Council in carrying out its function. In setting licence fees, the Council will do so taking into account the Provision of Services Regulations 2009.
- 3.1.2 The additional and selective property licensing schemes proposed in this report will be self-financing over the five-year lifetime of the designations. This would be achieved through detailed financial modelling to determine the licence fee. The scheme expenditure and income will be profiled over a six-year period, with year zero covering set up costs for the schemes, and employment and training of staff prior to implementation.
- 3.1.3 Whilst the number of properties failing under any future licensing designations would be subject to the outcome of the statutory consultation, a Borough-wide additional licensing designation will see a predicted 2024 properties requiring a licence. A selective licensing designation covering the whole of the Borough will require a predicted 14686 properties to be licensed.
- 3.1.4 Whilst these predicted figures relate to the total number of each property type, fee modelling will be undertaken based on licensing 75% of licensable properties. This is in line with good practice elsewhere and reflects the acceptance that despite focused efforts to identify unlicensed properties, that a proportion of landlords will actively evade the licensing requirements.
- 3.1.5 Discretionary property licensing fees vary significantly by local authority, with costs in 2025/26 ranging from £500 to over £1,800 per property for a five-year licence.
- 3.1.6 The licence fee must be made in two parts. The first part of the licence fee is payable when the licence application is submitted and is for the assessment and processing of the application to the stage of issuing the decision notice and, where applicable, the draft licence. The second part of the licence fee is due following the issue of a draft licence but prior to the licence being issued.
- 3.1.7 This fee structure reflects the cases of R (on the application of Hemming (trading as Simply Pleasure Ltd) and Others) v Westminster City Council and R (Gaskin) v Richmond-upon-Thames.
- 3.1.8 The first part of the fee must be paid in full in order for a licence application to be considered as having been duly made and, if it is not, then the application will not be considered. If an application is unsuccessful, the second part of the fee will not be required.
- 3.1.9 Although many councils have licence fee structures which include discounts for early applications or for membership of a landlord accreditation scheme, the Council is not proposing to include such discounts in its fee modelling. This is because the fee is calculated to cover the administration of the scheme. Being a member of a landlord accreditation scheme or applying early does not reduce the resources required to administer a scheme. As such, a reduced fee option would only result in a short fall in the amount of income from the fees that is required to cover the expenditure costs of administering the scheme.
- 3.1.10 Such a shortfall would potentially risk the success of the schemes in that licences would not be determined within a reasonable timescale, compliance visits would not occur, and illegally operating rented property would not be tackled as appropriate staff resource would not be in

place. Furthermore, the landlords paying the full fee would potentially be subsidising those paying the reduced fee.

- 3.1.11 Where the Council identifies an unlicensed property, the landlord will be contacted and advised of the requirement for the property to be licensed. To ensure that the additional administration costs associated with this activity are recovered, the Council propose that these landlords will pay a higher Part A fee.
- 3.1.12 Any future schemes will be monitored as part of the regular budget management financial reporting with in-year and cumulative balances reported as required. The schemes will be managed through a ring-fenced budget with appropriation to and from reserves to manage in-year surpluses or deficits.

## **3.2 Legal implications**

- 3.2.1 The legal framework in respect of discretionary property licensing is set out in Sections 56 and 80 of the Act. It allows the Council to introduce licensing of privately rented homes and smaller HMOs across the whole, or part of the Borough, if the area to which it relates satisfies one or more of the conditions stipulated in the legislation.
- 3.2.2 In considering whether to designate an area, the Council must first identify the objective or objectives that a designation will help it achieve. Secondly, it must also consider whether there are any other courses of action available to it that would achieve the same objective or objectives without the need for the designation to be made. Only where there is no practical and beneficial alternative to a designation should a scheme be made.
- 3.2.3 If the Council decides there is no practical and beneficial alternative to implementing discretionary licensing schemes, it must only make the designation if it is satisfied that the scheme will significantly assist it in achieving its objective or objectives, along with other actions the local housing authority may be taking. The Council must demonstrate a designation will be part of the overall strategic borough wide approach to housing and how it fits with existing policies.
- 3.2.4 When considering designating an area as subject to discretionary licensing, the Council must conduct a full consultation. It must take reasonable steps to consult persons who are likely to be affected by the designation and consider any representations made in accordance with the consultation (Sections 56(3) and 80(9) of the Act). Such consultation should be over a period of at least 10 weeks. Once the consultation has been completed the results should be published and made available to the local community.

## **3.3 Risk management implications**

- 3.3.1 Implementing discretionary property licensing is human resource intensive. The administration of schemes can be fully covered by the resulting licence fees and be self-financing. However, costs related to prosecution or related enforcement for landlords who do not have a licence cannot be recovered via the additional or selective licensing fee.
- 3.3.2 If schemes are implemented, the main financial risk is that there is a low **voluntary** take up by landlords, which would increase the cost of compliance and recovery of enforcement costs related to prosecution through the courts.
- 3.3.3 This risk is mitigated by the fact that operating without a licence is a criminal offence and landlords will need to decide whether the risks of a criminal conviction and or significant financial penalties (up to £30,000) are worth taking for non-compliance. In addition, a tenant who is living in a licensable property, which is without a licence can apply for a Rent Repayment Order requiring up to 24 months' rent to be repaid.
- 3.3.4 Failure to deliver the aims and objectives of the designations risks significant reputational damage to the Council. Sections 60 (3) and (4) and 84 (3) and (4) of the Act requires the

Council to review the operation of any designations from time to time, and if following a review, they consider it appropriate to do so, the authority may revoke the designations. The non-statutory guidance selective licensing issued by the MHCLG also requests local authorities to publish the outcome of any reviews that they undertake in a timely manner on their website. Whilst this guidance relates to selective licensing, the Council will also apply it to any future additional licensing designation. Through robust performance management and reporting, the Council will aim to deliver the aims and objectives of the scheme.

- 3.3.5 The scheme could also be susceptible to legal challenge via judicial review proceedings, if for example, there was a challenge as to whether the statutory consultation or notification requirements have been followed in accordance with the relevant legislation.

### **3.4 Environmental implications**

- 3.4.1 It is expected that the introduction discretionary property licensing will result in small reductions in carbon emissions as a result of improvement in housing standards. These improvements will lead to better thermal efficiency and therefore lower fuel use to heat homes, with a consequent positive impact on carbon emissions.

### **3.5 Equality implications**

- 3.5.1 The Council has a duty under the Equality Act 2010 to have due regard to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Equality Act 2010;
- Advance equality of opportunity between people who share those protected characteristics and people who do not;
- Foster good relations between people who share those characteristics and people who do not.

- 3.5.2 An Equality Impact Assessment (EQIA) has been carried out and is attached at Appendix 2. The EQIA assesses the impact that the proposals could have on different protected groups and, where possible, identified methods for mitigating or avoiding any adverse impact on those groups.

- 3.5.3 The impact of the proposed schemes is assessed as largely being positive or neutral across all protected characteristics, however some negative impacts have been identified. These include:

- An independent review of selective licensing in 2019 found that the frequent claim made that licensing increases rents, as landlords may pass on the costs of licensing to their tenant, was not supported by the evidence. The private rented sector is a competitive market and market forces mean that rents are set at a level the market will bear. In reality, in low quality properties, the rent is typically set by Local Housing Allowance rates. However, the Council acknowledges that licensing fees may be passed on to tenants through rent increases, which would disproportionately affect younger renters on low incomes and pregnant women.
- Large households which are common in some faith groups may be affected if landlords avoid renting to them.
- There is a risk of discriminatory letting practices against members of the LGBTQ+ community and those that are perceived to be.

Actions to identify and mitigate against these have been included in the EQIA action plan.

- 3.5.4 The proposed additional licensing scheme will improve housing conditions, management standards within HMOs which will benefit vulnerable groups.
- 3.5.5 The proactive regulatory nature of discretionary property licensing will positively impact vulnerable individuals by reducing barriers to safe housing for private rented tenants in the Borough.

### **3.6 Corporate Parenting Implications**

- 3.6.1 The Council's care leaving service within Slough Children First makes use of both HMO and self-contained private rented accommodation for their 18+ care leavers. Whilst property compliance checks are already carried out prior to accommodating a care leaver, the additional regulatory controls provided by discretionary property licensing will provide further assurances that accommodation is safe from the outset and remains so throughout the duration of the tenancy.

### **3.7 Procurement implications**

- 3.7.1 There are no procurement implications from the proposed licensing designation. The Council's existing property licensing software was procured through a competitive tender process in 2019 to support the delivery of the previous licensing designations and remains fit for purpose.

### **3.8 Workforce implications**

- 3.8.1 If one or both discretionary licensing schemes are introduced it is expected that they will be self-financing through the fee charging mechanism. Any recruitment will be undertaken in accordance with the Council's recruitment and selection procedure.

### **3.9 Property implications**

- 3.9.1 There are no property implications from the proposed schemes.

## **4. Background Papers**

- 4.1 None

## **5. Appendices**

Appendix A - Private Rental Sector and Houses in Multiple Occupation: Housing Stock Condition and Stressors Report (February 2026)

Appendix B – Equality Impact Assessment