

9 January 2024		ITEM: 5
Housing Overview and Scrutiny Committee		
Proposal to Designate Additional HMO Licensing Scheme		
Wards and communities affected: All	Key Decision: None	
Report of: Dulal Ahmed – Housing Enforcement Manager		
Accountable Assistant Director: Ewelina Sorbjan – Assistant Director, Housing Management and Development		
Accountable Director: Ian Wake – Executive Director, Adults, Housing and Health		

Executive Summary

This document outlines the need for the renewal of the Additional Housing in Multiple Occupation (HMO) Licensing scheme in Thurrock. The scheme, initiated in June 2019, has played a crucial role in improving housing conditions and management standards in smaller HMOs that fall outside the scope of Mandatory Licensing.

The renewal proposal is based on comprehensive data and analysis, demonstrating the positive impact of the scheme on housing conditions, tenant safety, and community well-being. Over the past five years, the scheme has led to the licensing of 220 HMOs, generating approximately £432,912 in revenue.

Key findings supporting the renewal include:

Improved Housing Conditions: The scheme has led to better management and higher standards in HMOs, addressing issues such as overcrowding, fire safety, and other housing hazards.

Increased Tenant Safety: Licensing has made it easier to identify and collaborate with landlords, ensuring safer living conditions for tenants.

Reduction in Anti-Social Behaviour: The scheme has contributed to a reduction in anti-social behaviour, noise complaints, and other issues that negatively impact the community.

Community Impact: Complaints related to HMOs have increased over the years, indicating the need for consistent regulation and enforcement to protect the wider community.

Support from Tenants: A survey conducted in 2023 showed strong support from tenants for the licensing scheme, with the majority agreeing that licensed HMOs are safe to rent.

The proposal recommends the renewal of Additional Licensing for the entire borough for the next five years. This renewal aligns with the council's housing strategy to raise housing standards and quality in the private rented sector. The document also explores alternative options, such as doing nothing or implementing planning regulations, highlighting the limitations of these approaches.

The recommendation is grounded in the council's commitment to protecting residents' safety, supporting landlord compliance, and creating a safer and more desirable living environment in Thurrock. Consultation with stakeholders will precede the final decision, ensuring that the renewal aligns with the community's needs and priorities.

The renewal of Additional HMO Licensing will help Thurrock continue its proactive approach to improving housing standards and tenant safety in the private rented sector, benefiting both residents and the broader community.

Government Intervention & Section 114

In July 2022, Thurrock Council was made aware of concerns around the valuation of specific investments. A review process commenced, and the initial findings highlighted significant concerns about three investments, and the position was shared informally with the Department of Levelling Up, Housing and Communities (DLUHC).

On 2 September 2022, DLUHC announced directions to implement an intervention package at the council.

The Secretary of State exercised his powers under s15(11) of the Local Government Act 1999 to give a Direction without complying with the requirement at s15(9) to give Thurrock an opportunity to make representations about the Directions, as he considered the failures of the council's compliance with its Best Value duty in respect of the functions specified in the Directions sufficiently urgent. This was because of the following:

- the scale of the financial and commercial risks potentially facing the authority, which were compounded by the authority's approach to financial management, and the seriousness of the allegations that were made by third parties about the processes applied to the operation of the authority's commercial strategy, and,
- the failure of the authority to provide assurance to Ministers and the Department on the adequacy of the actions that the authority was taking to address the issues, taking account of the scale and pace of the response required.

The Secretary of State nominated Essex County Council to the role of Commissioner.

On 19 December 2022, the council's Acting Director of Finance and Section 151 Officer issued a report under Section 114 of the Local Government Finance Act

1988. This advises Councillors that the council faces 'a financial situation of an extremely serious nature.'

Since that period, the council has continued to operate under the s114 Notice and is collaborating with Commissioners to tighten its financial management procedures.

1 Recommendations

Housing Overview and Scrutiny Committee are asked to:

- 1.1. **Comment on the council's evidence to renew Additional Licensing covering the whole borough for five years.**
- 1.2. **Comment on the other options available to the council to improve housing conditions and management standards in all HMOs.**
- 1.3. **Comment on the public consultation with stakeholders likely to be affected by this decision to extend Additional Licensing and present those findings to Cabinet for a decision on renewing Additional Licensing.**

2 Background

- 2.1. All local authorities have a duty to run Mandatory Licensing covering HMOs that are occupied by five or more people forming two or more households.
- 2.2. In January 2019, Thurrock Council's Cabinet approved an Additional HMO Licensing scheme for certain parts of the borough under Section 56 of the Housing Act 2004. This Section gives powers to local authorities to designate areas or whole of the area within their district as subject to Additional Licensing in respect of some or all the HMOs in its area that are not already subject to Mandatory licensing.
- 2.3. Additional Licensing came into force on 1 June 2019, covering 11 of the 20 Thurrock wards, namely:
 - Aveley and Uplands
 - Belhus
 - Chadwell St Mary
 - Grays Riverside
 - Grays Thurrock
 - Little Thurrock Blackshots
 - Ockendon
 - Stifford Clays
 - Tilbury Riverside and Thurrock Park
 - Tilbury St Chads
 - West Thurrock and South Stifford
- 2.4. This scheme mandates that all shared dwellings (properties with three or more persons and two or more households) must have a licence with the council, pursuant to Mandatory Licensing.

3 Additional Licensing Review

- 3.1. Compared with single-family homes, HMOs are at a higher risk of substandard conditions, facilities, and management. These are regulated under the Housing Act 2004. The majority of properties used as HMOs in Thurrock have three or four bedrooms and would, therefore, fall outside the remit of Mandatory Licensing.
- 3.2. The licensing scheme in Thurrock has seen a positive difference in the HMO rental sector for the past five years, improving housing conditions and management standards whilst supporting landlords and tenants.
- 3.3. This has resulted in 220 licensed HMOs, equating to approximately £432,912 in licensing revenue. Out of those 220 properties, 169 properties are located within the Additional Licensing areas, and 51 are licensed within areas exempted from Additional Licensing.
- 3.4. Additional Licensing has made it easier to identify and collaborate with those landlords in licensed areas whose management or accommodation conditions are substandard, rather than waiting for tenants' complaints by placing the onus on landlords to identify themselves or risk prosecution for failure to licence.
- 3.5. Additional Licensing has allowed the council to address poor property standards in HMOs that fall outside Mandatory Licensing to provide greater protection for the health, safety, and welfare of occupants. Please refer to Section 3.13 of this report for further details.
- 3.6. The tables within Section 3 of this report provide the evidence needed to extend Additional Licensing. The datasets show that a considerable proportion of HMOs have been managed ineffectively and are likely to give rise to one or more problems for those occupying the HMO or for members of the public.
- 3.7. The table below presents the number of service requests regarding HMOs. Thurrock residents regularly complain to the Licensing Team, averaging 108 per annum or nine per month for the past five years, demonstrating one or more problems associated with HMOs having an impact on the wider public.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
No. of service requests	111	150	180	127	143

Source: Thurrock Council Private Sector Housing Service

3.8. In contrast, those occupying HMOs tend not to contact the council. The table below outlines the small number of complaints made to the Licensing Team.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
No. of HMO Tenant service requests	11	17	5	6	5

Source: Thurrock Council Private Sector Housing Service

3.9. Licensing housing inspections have identified some landlords failing to meet HMO legal requirements, especially in terms of overcrowding and fire safety. The table below presents the number of improved HMOs, demonstrating that a large number of landlords operate below the legal standards required in HMOs.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
No. of households improved under Mandatory and Additional Licensing	44	78	241	159	165

Source: Thurrock Council Private Sector Housing Service

3.10. All HMOs must comply with the Essex Amenities Housing Standards, as outlined in Appendix 1. The council has adopted minimum standards for amenities and space permitted in an HMO suitable for the number of occupants.

3.11. Enforcement and regulation of HMOs are conducted under the Housing Act 2004 through the application of the Housing Health and Safety Rating System (HHSRS) to remove housing hazards or deal with problems of poor management.

3.12. The table below provides the number of hazards removed by the Licensing Team in HMOs. The most common hazards are overcrowding and space standards, damp and mould growth, excess cold and fire safety - all representing severe and significant risks to tenants.

Year	2017/18	2018/19	2019/20	2020/21*	2021/22	2022/23	2023/24
Private lettings	245	340	699	423	500	652	88
HMO	551	563	465	258	429	498	214

Source: Thurrock Council Private Sector Housing Service

**Lockdown measures had an impact on the above numbers as officers were unable to perform visits at times; instead, more informal methods were adopted.*

3.13. Poor quality housing harms the health and wellbeing of tenants. The table below demonstrates poor living conditions and management standards, requiring the Licensing Team to act to keep homes free of significant risks.

The results were:

- Improvement notices issued to the landlord to conduct improvements to the property.
- Environmental Protection Act 1990 issued to the landlord in instances of statutory nuisance to any premises to be prejudicial to health or nuisance.
- Management regulation breaches covering a range of offences, e.g., maintenance of common parts, fixtures, fittings, and appliances.
- Public Health Act notices issued to the landlord with respect to drains not sufficiently maintained or kept in good repair.
- Public Health Act notices issued to the landlord for premises that are filthy or in unwholesome condition to be prejudicial to health or verminous.
- Civil Penalty Notices issued to the landlord as an alternative to prosecution for a range of offences, such as breach of an improvement notice, failure to obtain a licence initially, breach of HMO licence, or breach of management regulations.
- Criminal prosecutions for serious housing disrepair offences

Enforcement Measure	2018/19	2019/20	2020/21*	2021/22	2022/23
Improvement Notice	17	36	20	40	3
Prohibition Order	8	3	5	0	0
Emergency Prohibition Order	0	0	1	0	0
Emergency Remedial Action	1	3	0	0	0
Environmental Protection Act S80	21	10	14	12	1
Hazard Awareness Notice	2	15	0	1	0
Suspended Prohibition Order	1	2	1	5	1
Suspended Improvement Notice	2	6	2	0	0
Management Regulations 2006 Advisory Notice	23	24	7	13	22
Building Act 1984/Public Health Act 1961 Drainage	4	8	3	4	1
Public Health Act 1936 Notice	4	3	1	6	0
Works In Default	6	10	1	0	1
Prosecutions	5	5	2	5	4
Civil Penalty Notice	0	15	20	9	10
Rent Repayment Order	0	0	0	1	0

Source: Thurrock Council Private Sector Housing Service

**Lockdown measures had an impact on the above numbers as officers were unable to perform visits at times; instead, more informal methods were adopted.*

3.14. The number of HMO overcrowding cases has decreased under Mandatory and Additional Licensing as properties are brought into compliance. Licensing helps to prevent HMO landlords from illegally overcrowding a property under their control and management. The licensing process advises the landlord on the suitability of the HMO for the number of occupiers.

3.15. Tenancy management standards in HMOs can help to deal with tenants causing anti-social behaviour. Poorly managed or non-licensed HMOs often are a source of the following problems in Thurrock:

- ASB, noise and nuisance
- Negative impacts on the physical environment
- Community tension
- Waste and rubbish accumulation, over-spilling bins
- Pressure upon parking provision

3.16. The table below shows reported anti-social behaviour (ASB) complaints from 2019 to 2023. Complaints have increased yearly to date as the number of HMOs spread across the borough to non-licensed areas, leaving a negative impact on the community.

Year	2018/19	2019/20	2020/21	2021/22	2022/23
Complaints	20	30	35	40	45

Source: Thurrock Council

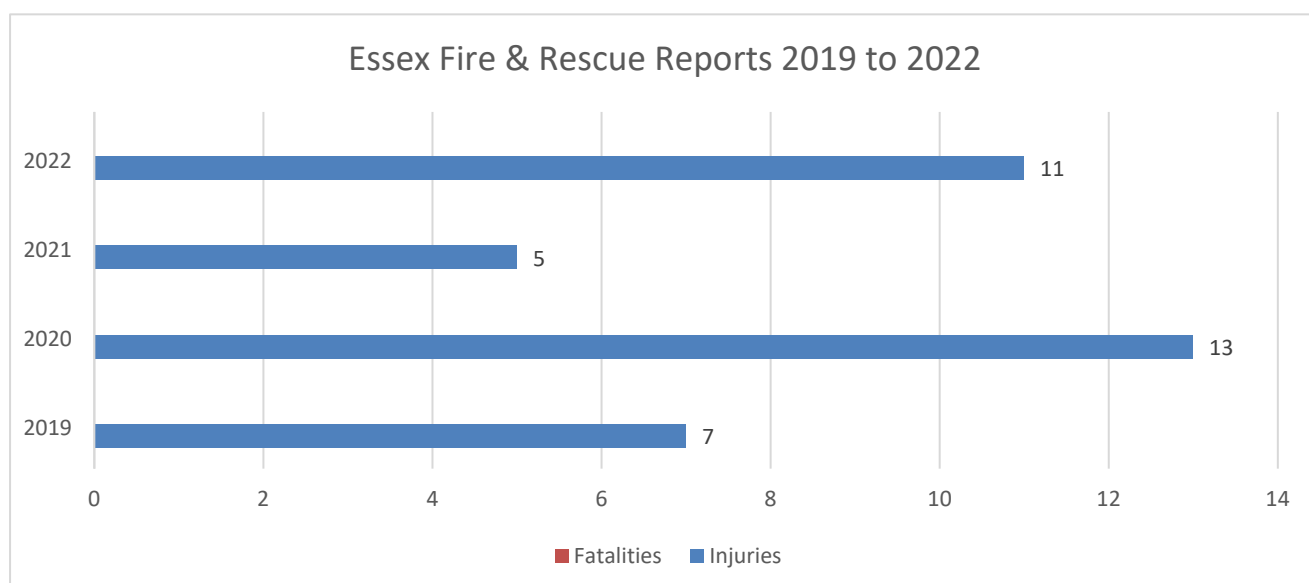
3.17. License conditions help to tackle ASB, noise, and accumulation of waste. The table below presents the Licensing Team enforcement activity addressing problems in poorly managed properties.

Activity	2018/19	2019/20	2020/21	2021/22	2022/23
Environmental Protection Act Notice 1990	0	0	0	0	0
Community Protection Notices	0	0	0	0	0
Community Protection Warnings	0	4	6	3	5
Closure Order	0	0	0	0	0
Revoke HMO Licence	0	0	0	2	9
Housing injunction	0	0	0	0	0
Mediation	4	6	2	8	12
Restorative Justice Referrals	0	3	0	0	0
Warning Letter	6	8	4	12	10

Special Interim Management Order	0	0	0	0	0
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Source: Thurrock Council

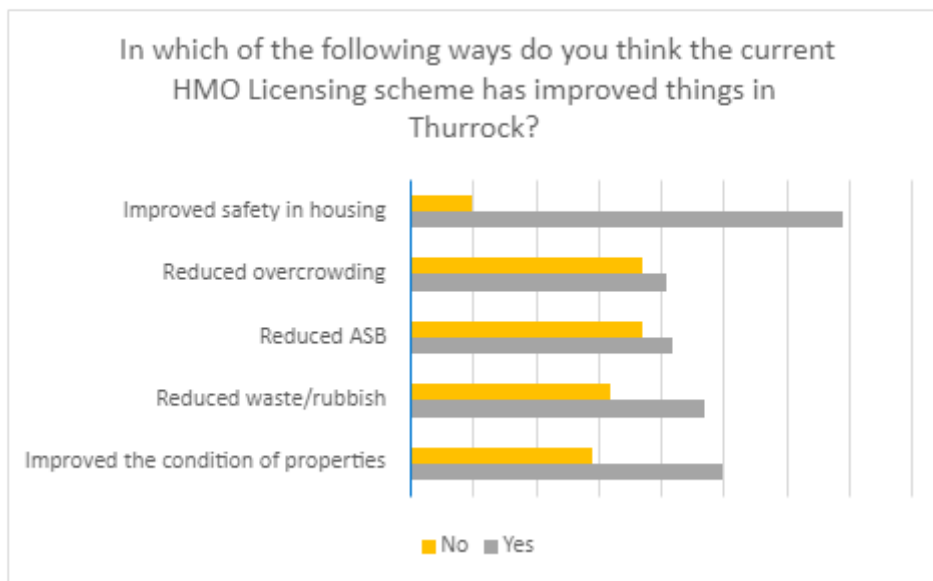
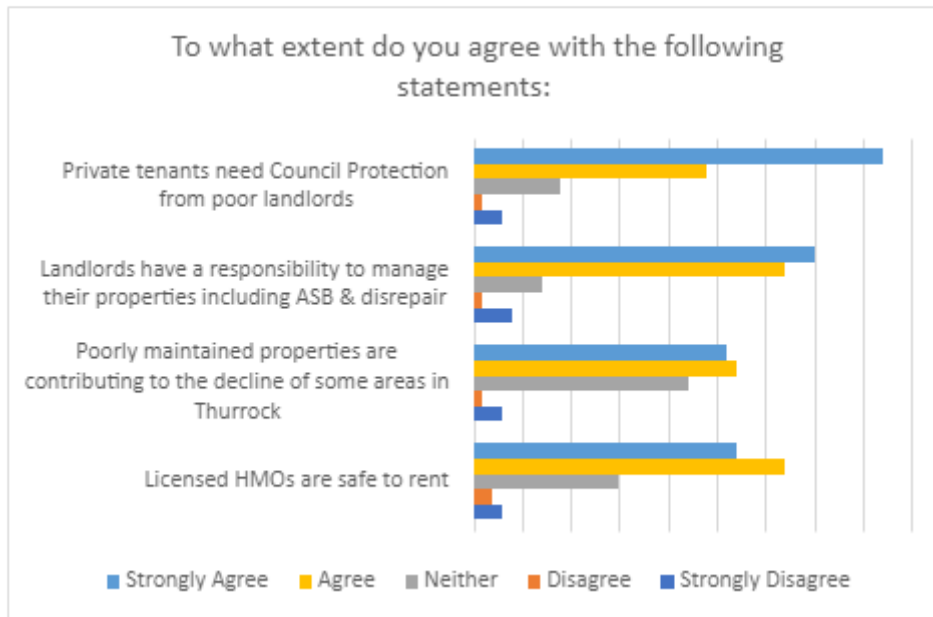
- 3.18. Key to the success of the Licensing service has been collaborative working and regular meetings with the Community Safety Partnership, Homelessness, Allocations, Council Tax, Planning and Environmental Protection Team to ensure a consistent approach to Homelessness, ASB, Noise, and overcrowding.
- 3.19. The Licensing Team has also found some HMO conversions that are poorly constructed, including those above commercial shops, with long or complex escape routes. HMOs are at higher fire risk than single dwelling lets. HMO licensing has helped to improve landlord compliance and reinforce fire safety measures that result in safer homes.
- 3.20. The Essex Fire & Rescue statistics show 27 fire incidents, with 36 injuries and 0 fatalities, recorded in Thurrock between 2019 and 2022. Please see the table below.

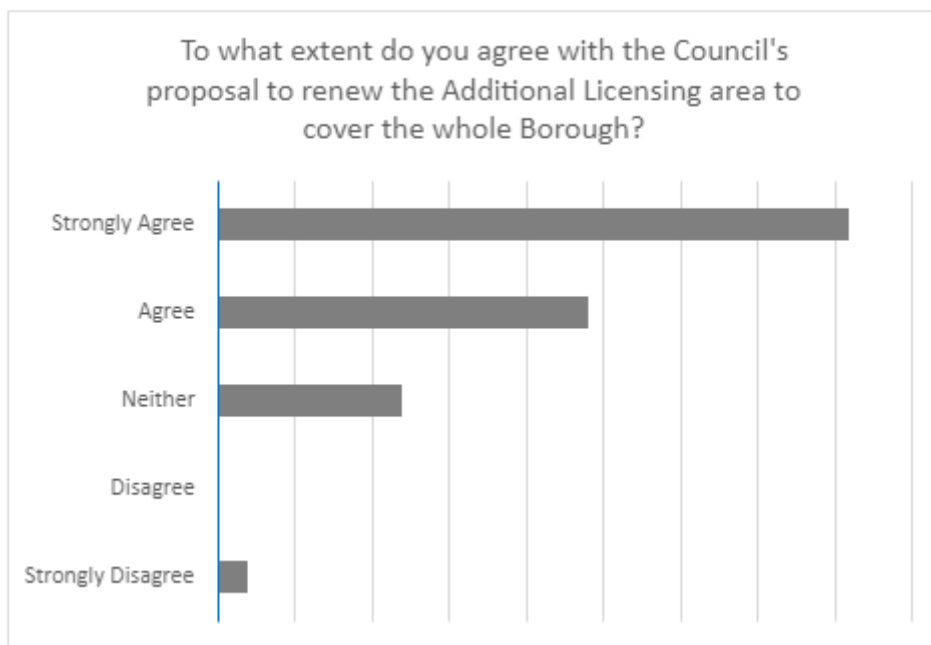
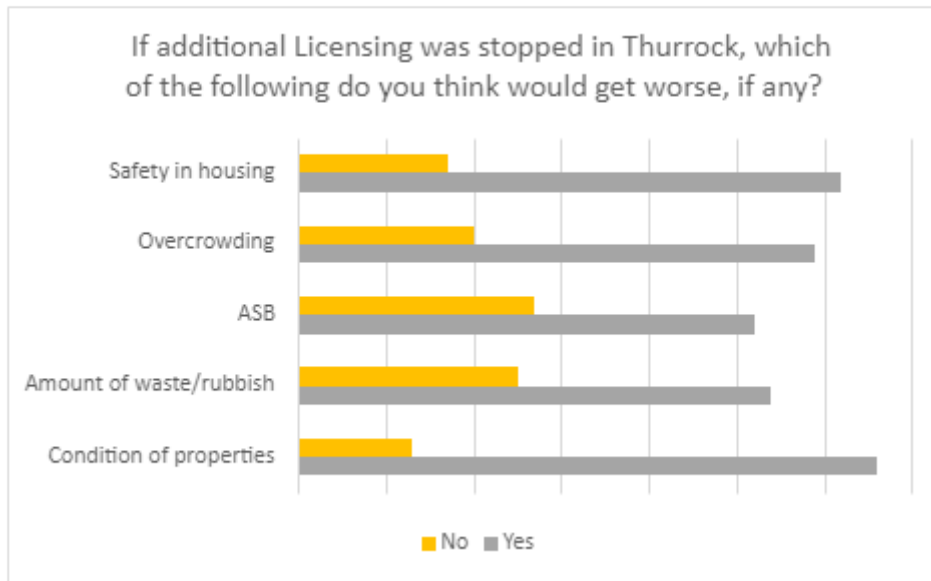


Source: Essex County Fire and Recuse Authority

- 3.21. The Licensing Team ran an HMO tenant survey in September 2023. A total of 79 tenants engaged with officers. The findings regarding Additional Licensing are summarised below.
- 79% strongly agreed that licensed HMOs are safe to rent.
 - 87% improved safety in housing
 - 63% improved the condition of the property.
 - 53 % reduced ASB

- 75% felt overcrowding would get worse if Additional Licensing stopped.
- 82% agreed with the council’s proposal to extend Additional Licensing across the whole borough.





Source Thurrock Council

3.22. This feedback supplements the evidence presented in support of extending the Additional Licensing scheme.

3.23. Residents, landlords, landlords' associations and other stakeholders such as Police, Fire Authority and lettings agents will have an opportunity to provide their views on any extension to the Additional Licensing scheme during the three-month statutory consultation period (referred to in section 9 of this report), which is anticipated to begin in January 2024.

4 Need for Additional Licensing

4.1. The Housing Act 2004 s56 and s57 require certain aspects to be fulfilled before any designation can be made, including that the authority:

- considers that a considerable proportion of the HMOs of that description in the area is managed sufficiently ineffectively as to give rise or likely to give rise to one or more problems either for those occupying the HMOs or for members of the public.
- takes reasonable steps to consult persons who are likely to be affected by the designation.
- considers whether there are any other courses of action available to the authority that might provide an effective method of dealing with the problem or problems in question, and,
- ensures it is consistent with the authority's overall housing strategy and is a part of a coordinated approach to deal with wider issues, such as anti-social behaviour.

5 Proposal

- 5.1. Additional Licensing is intended to cover smaller HMOs not covered by Mandatory Licensing. HMOs comprise 4.75% of the total private rented sector in Thurrock in comparison to single dwelling lets at 19.25%¹. There are no plans to restrict the growth of HMOs in the borough.
- 5.2. The evidence above demonstrates that a considerable proportion of HMOs in the area has been managed sufficiently ineffectively as to give rise, or likely to give rise, to one or more problems either for those occupying the HMOs or for members of the public.
- 5.3. This proposal designates the whole borough under Additional Licensing for the next five years.
- 5.4. Properties to be included in the proposal are:
 - all HMOs, as defined by section 254 of the Housing Act 2004, which are occupied by three or more persons comprising two or more households.
 - all HMOs as defined in section 257 of the Housing Act 2004. This is a building which is comprised entirely of converted self-contained flats, and the standard of the conversion does not meet, at a minimum, the standard required by the 1991 Building regulations, and where less than two-thirds of the flats are owner-occupied.
 - individual flats within section 257 that require a licence if they are occupied by three or more people in two or more households privately renting.
 - all HMOs as stated above over commercial properties and within mixed-use developments.

¹ Source – Thurrock Council Private Sector Housing

5.5. The Private Housing Team is introducing Additional Licensing to:

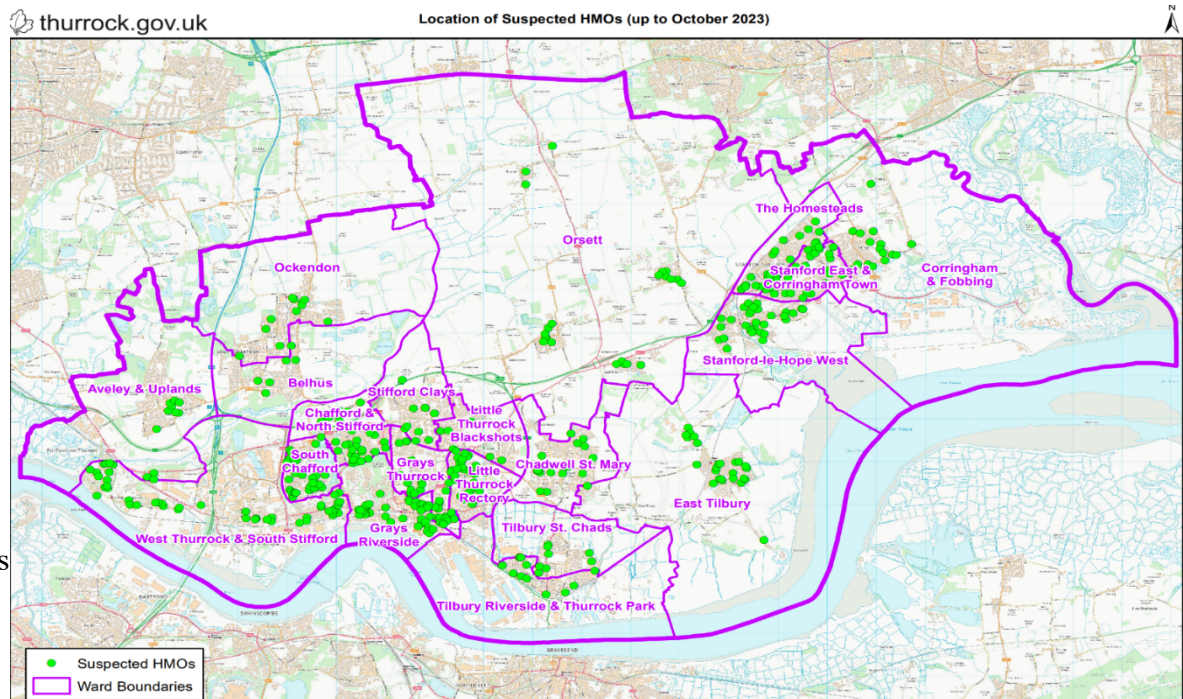
- provide a consistent approach to all HMOs in the borough.
- improve property standards, management skills and tenancy practices in the private rented sector.
- prevent overcrowding within HMOs.
- help to address anti-social behaviour (ASB) issues associated with HMOs.
- protect residents from negative social and health effects of poorly managed and maintained properties by landlords that are evading licensing and regulation, putting their tenants at risk.
- make Thurrock a safer and more desirable place to live by reducing the adverse impact of poorly managed HMOs upon the wider community.

5.6. Appendix 2 presents the proposed HMO license fees for the 2024/25 financial year. These fees will be scrutinised in November 2023 and are due to be presented to Cabinet for approval – taking into consideration any feedback received – in February 2024

6 Suspected HMOs

6.1. There are 577 suspected HMOs spread across the borough, as indicated in the map below. The data suggests a substantial proportion of these are small HMOs not requiring a licence or duty for landlords or tenants to inform the council of their status in non-licensed areas, including the following wards:

- | | |
|-----------------------------|-----------------------------------|
| • Chafford & North Stifford | • South Chafford |
| • Corringham & Fobbing | • Stanford East & Corringham Town |
| • East Tilbury | • Stanford-le-Hope West |
| • Little Thurrock Rectory | • The Homesteads |
| • Orsett | |



- 6.2. The number of suspected HMOs fluctuates during the year. This data is based on investigative research, including tenancy deposits, council tax, electoral and housing waiting list records.
- 6.3. The datasets available do not identify high numbers or a concentration of HMOs in any particular area. There is a huge demand for housing in the borough, such that some tenants have little choice but to accept inadequate quality and potentially unsafe housing. This situation supports a borough-wide designation to ensure that the potential risks caused by HMOs are consistently and appropriately addressed.
- 6.4. Overall, there is a demand for the Licensing service to address the increased number of HMOs and the problems that they may cause in Thurrock.

7 Housing Strategy 2022-2027

- 7.1. This licensing proposal is consistent with the council's housing strategy to drive up housing standards and quality in the private rented sector. Residents suggested that actions are necessary to be taken to ensure privately rented homes are at a decent quality standard.
- 7.2. Licensing is not proposed as the sole solution to problems but as part of a range of strategies and actions to improve living conditions and housing management standards. The licensing scheme assists the council to continue collaborating with good landlords and support those landlords who want to manage their homes more effectively whilst also enabling more targeted and effective actions against poor landlords.

8 Other options considered

- 8.1. Section 57 of the Housing Act 2004 sets out the requirements that Councils must have considered other potential courses of action available to provide an effective method of achieving the objective or objectives that the proposed designation would intend to achieve.

Other options considered are as follows.

- 8.2. **Do nothing** – allow the existing Additional Licensing scheme to finish in May 2024.
 - 8.2.1. Most HMOs in Thurrock fall outside the remit of Mandatory Licensing due to their size and number of occupants. The running of an Additional Licensing scheme helps to maintain standards in HMOs in this area due to demographic and affordability pressures.
 - 8.2.2. While essential statutory duties can be enforced without a scheme, it would be a reactive process as a response to complaints that does not lead to a consistent standard of protection for HMO tenants nor the provision of clear

standards for landlords to refer to. Inadvertently, this will lead to the situation when a portion of HMOs does not meet the statutory standards.

8.3. Mandatory Licensing

8.3.1. Mandatory licensing refers to the licensing of HMOs where the premises are occupied by five or more people who form two or more households. The licensing regime came into effect before Additional Licensing but only covered a small proportion of the HMO sector in Thurrock due to both the nature of the housing stock and the fact that property occupancy tends to be fewer than five people. Even if Additional Licensing was not renewed, this Mandatory Licensing would still take place.

8.4. Designating specified areas and Additional Licensing

8.4.1. The council previously designated certain parts of the borough for the last five years, increasing the number of licenced HMOs. However, private housing records show an emerging picture of small HMOs operating outside of the Council's Licensing scheme designated areas. This expansion has impacted councillors, residents, communities, and neighbourhoods through instances of poor housing management and inadequate property standards.

8.4.2. Therefore, designating certain parts of the borough again does not address the problems caused by HMOs and provides residents with a service without staffing resources to regulate and enforce housing standards.

8.5. Article 4 Planning

8.5.1. The Local Authority can use an Article 4 direction under the Town and Country Planning (General Permitted Development) (England) Order 2015 to withdraw the permitted development rights if there is evidence that the proposed development could be prejudicial to the proper planning of the area, cause a threat to amenities or wellbeing of an area.

8.5.2. If the Article 4 direction is in force, a property that is occupied as an HMO without planning permission, if it does not benefit from a continuous use as an HMO for ten years, will require planning permission, e.g., for the conversion from a single dwelling house to a small HMO. If the authorised use of a property as an HMO has commenced before the date the Article 4 direction has taken effect, a landlord will not need planning permission as a result of the direction.

8.5.3. The local planning authority must notify the Secretary of State when making an Article 4 direction, but it does not need ministerial approval. The direction can be in force permanently, but it should be cancelled if the reasons why it was made are no longer valid.

8.6. This legislation would not help the council meet the demand for affordable housing in Thurrock by removing permitted development rights to change the use of a small property forming a single household into an HMO. By running

the Additional Licensing scheme, Thurrock Council is promoting the importance of secure, high-quality, and safe HMOs, providing appropriate internal and external spaces, and supporting our private landlords to manage their properties better.

8.7. Accredited Landlord Scheme

8.7.1. The accredited landlord schemes retain limited success as they are voluntary and attract compliant landlords; rogue landlords are unlikely to participate in such schemes proactively. The National Residential Landlord Association (NRLA) have confirmed to the council that the number of Thurrock-accredited landlords remains low; however, the authority is cooperating with the NRLA on increasing landlord accreditation in the borough to raise housing standards.

8.8. Landlord Forums

8.8.1. The council and the NRLA host a joint landlord to exchange information and educate landlords who operate in the borough. However, this does not offer a comprehensive structure for managing private rented properties and tenants and does not offer enforcement actions to ensure that such a structure is adhered to.

8.9. Borough-wide Additional Licensing scheme in all wards

8.9.1. This is our preferred option to improve the rented sector. The scheme will be for five years to run from October 2024 to September 2029 borough wide.

8.9.2. Additional Licensing proactively addresses the most common high-risk premises within the borough, predominantly small HMOs.

8.9.3. If the Additional Licensing Scheme is not extended for another five years, most small HMOs would operate below the legal standards of mandatory licensing. It would not have licensing conditions to regulate tenant behaviour.

8.9.4. The renewal of Additional Licensing ensures a consistent and safe standard of HMO accommodation within Thurrock.

9 Renewal Procedure

9.1. Should the designation be agreed to renew the scheme by Cabinet, a three-month period will be in place in line with legislation where licensing does not take place.

9.2. The three-month statutory period is set out in the Housing Act 2004 and in line with The Licensing and Management of Houses in Multiple Occupation and Other Houses (Miscellaneous Provisions) (England) Regulations 2006. This period will be used to advertise the new designation, as well as the standards that apply and the proposed HMO fee structure.

10 Reasons for Recommendations

- 10.1. The PRS has grown significantly alongside the borough's population. The population is expected to reach 192,535 in 2032.² The data in the table below presents the growth of the Private Rented Sector in Thurrock between 2011 to 2021.

Year	PRS Percentage of the Housing Market
2011	14.07
2012	15.42
2013	16.05
2014	16.56
2015	17.12
2016	17.29
2017	17.06
2018	16.83
2019	16.54
2020	16.59
2021	16.85
2021 Census	18.28

Source – ONS survey Thurrock Private Rented Sector

- 10.2. The borough needs one-bedroom properties to meet local demand levels. HMOs are an important part of housing supply, and the trend is likely to continue as the population increases.
- 10.3. Housing enforcement records demonstrate that PRS continues to have poorly managed HMOs impacting tenants' safety and the wider neighbourhood. Better managed and maintained HMOs improve tenants' health and wellbeing and positively impact their local community.
- 10.4. If discretionary Additional Licensing is not renewed, then this will adversely affect resources as the service would have to react to arising problems and complaints about HMOs rather than continue our proactive approach.
- 10.5. The council has systems in place to administer Additional Licensing to improve housing conditions through HMO licence conditions, setting minimum housing standards in the PRS.
- 10.6. The Additional Licensing function is self-funded by HMO licencing and civil penalty fees.

² Source – ONS Subnational Population Projections 2012

10.7. The Additional Licensing assists the Government's levelling up agenda in terms of its ambition to half the number of non-decent homes across all tenures by 2030.³

11 Consultation (including Overview and Scrutiny, if applicable)

11.1. There is a statutory requirement for the council to conduct consultation with stakeholders on introducing or renewing the scheme.

11.2. The Licensing Team will produce a new business case to extend the Additional Licensing for another five years borough wide.

11.3. The Licensing Team will start this stakeholder engagement process in January 2024.

11.4. The consultation and engagement findings and business case will be presented to the Cabinet to designate an Additional Licensing scheme.

12 Impact on corporate policies, priorities, performance, and community impact

12.1. Thurrock's Housing Strategy 2022-27 is committed to protect resident safety from harm to their physical and mental health. HMO licensing will improve the safety and security of Thurrock residents by addressing property conditions required to support residents to feel safe.

12.2. Additional licensing was first introduced in 2019. According to ONS data, this scheme did not result in private landlords exiting the PRS nor reduce the number of licensed and suspected HMOs in Thurrock, as outlined in Section 10.1 Extending this scheme may encourage some landlords to rent their properties as single dwellings instead of an HMO, thereby increasing housing supply for family lettings in our area.

13 Implications

13.1. Financial

Implications verified by: **Mike Jones**
Strategic Lead – Corporate Finance

The HMO licensing scheme forms part of the Private Sector Housing budget, contained within the Housing General Fund.

The annual targeted income budget is £70,000 per annum. This form part of the overall service budget

The recommendations within the report support the continuation of the service, which has demonstrated financial viability since its inception.

³ Source – [A fairer private rented sector - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

13.2. Legal

Implications verified by: **Godwin Mangse**
**Interim Principal Lawyer, Housing, Litigation
and Prosecutions**

There are no direct legal implications arising from this report.

Section 3 of the Housing Act 2004 places a duty on a local housing authority to keep the housing conditions in their area under review with a view to identifying any action that may need to be taken under the provisions mentioned in Section 3(2) of the Act. The licensing of HMOs is one of those provisions.

In accordance with the remit of the Housing Overview and Scrutiny Committee, Members are asked to review and scrutinise the proposal/recommendation outlined in this report.

13.3. Diversity and Equality

Implications verified by: **Roxanne Scanlon**
**Community Engagement and Project
Monitoring Officer**

A Community and Equality Impact Assessment was conducted before the implementation of Additional Licensing in 2019. A new impact assessment will be carried out considering the consultation feedback to ensure that no group will be adversely affected by the introduction of this proposed scheme.

Licensing allows the council to remedy poor private rented-sector conditions that can harm health and exacerbate medical conditions. The council can take the appropriate action required under Mandatory and Additional Licensing.

13.4. Other implications (where significant) – i.e., Staff, Health Inequalities, Sustainability, Crime and Disorder, or Impact on Looked After Children

Extra staffing for the operation of the scheme, including the processing of the applications, will be required. The cost of meeting this additional staff requirement will be self-financed out of the HMO licensing fee.

Licensing contributes towards the council's Community safety partnership duty to reduce crime and anti-social behaviour in the borough as licensing increases collaboration to tackle rogue landlords.

The definition of a rogue landlord is a landlord who knowingly flouts their obligations by renting out unsafe and substandard accommodation to tenants, many of whom may be vulnerable.

14 Background papers used in preparing the report (including their location on the council's website or identification whether any are exempt or protected by copyright):

- [Thurrock Council - Housing Strategy, 2022-2027](#)

15 Appendices to the report

Appendix 1 Essex Amenities Housing Standards

Appendix 2 Proposed HMO Fees & Charges 2024/25

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