

Regulating houses in multiple occupation: using the new powers for additional licensing

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HMOs and Additional Licensing

- Why Oxford
- What we are doing & why
- The lessons we've learned
- Where we are now and what next



Why Oxford?

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Oxford's Housing Crisis

- **Economic drivers**
- **Very buoyant housing market**
- **Limited new build opportunities**
- **Buy to let boom**
- **26% of housing is private rented**
- **>5000 HMOs in 2005**



The Perfect Storm

- High volume of service requests caused by HMOs
- Complacent owners/managers
- Studentification and rentification
- Residents concerns about where they live
- Media interest
- The final nail...





What we are doing & why

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Progressive action – what have we been doing up to now

- **Multi-disciplinary team set up in the 1980's**
- **East Oxford Registration Scheme developed in the 1990's**
- **Mandatory licensing introduced in 2006**
- **Additional licensing bid made in 2008**
- **Tough enforcement stance**
- **New powers given to Council's in 2010**
 - Housing Minister John Healey's visit in January



Why - the Corporate view

- **Building a world-class city for everyone**
 - More housing, better housing for all
- **Improved private rented sector**
 - Regulation is necessary to improve standards
 - HMOs are the priority
- **HMOs are the biggest issue on the doorstep**
- **Additional licensing was identified as the best tool we have to deliver significant improvements to the private rented sector**



Designing the scheme

- Learn from the mandatory licensing experience
- Incorporate Member, public & sector expectations e.g. to inspect every HMO
- No cost to the Council tax payer



What difference do we want additional licensing to make?

- Deal with the majority of our problems which have been in two storey properties
- Get rid of the landlords who are currently operating who would not pass the fit and proper test to hold a licence
- Create a level playing field with no advantage to offering substandard property
- Improve the reputation of the private sector in Oxford
- Improve our data & knowledge of the HMO market



The good things that came out of mandatory licensing

- Improved conditions and the management of HMOs
- Far fewer complaints are received from tenants of licensed properties about conditions
- Fewer complaints are received from members of the public about licensed properties
- We can identify the good landlords
 - Contact with landlords and agents
 - Improved information



What didn't go well with mandatory licensing

- **Overall good landlords thought bad landlords “got away with it”**
- **Some landlords avoided licensing**
 - Keeping their heads down and claiming ignorance
 - Additional charges for finding licensable HMOs
- **Fee mechanism that wasn't always fair for good landlords**
 - Additional charges for chase up letters or missing appointments
- **Fee was perceived as high even though for the majority of cases it was for 5 years**
- **Blanket 5 year licence not appropriate in all cases**



Why the whole city?

- There are areas where HMOs are concentrated but HMOs have spread across the City and problems are not just restricted to certain areas
- Experience of area based action was that it simply pushed the problem beyond the boundaries



Why every HMO?

- **Original bid in 2008 was just for larger HMOs**
 - Stated intention was to licence all HMOs
- **Data showed that size doesn't matter**
- **Experience of two tier system – unlicensed properties have lower standards**
- **Eliminates confusion for all parties**
- **Creates a level playing field**



An annual licence

- **Benefits**
 - More regular income flow
 - Makes fee more affordable for all landlords
 - Links with property requirements e.g. gas certificates
 - Regular contact ensures standards are maintained
- **Downside**
 - Repeated applications
 - Inspection commitment



What lessons we've learned



You need one of these



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Finance

- **Get your Finance Department on board as early as possible**
- **Be clear about staffing needs and secure agreement**
- **Licensing is not for profit!**
- **Ensure your payment schemes can cope**



Proving the case

- **Data on HMO addresses is not always easy to obtain**
- **Ensure data capture on service requests so you can prove there's a problem**
- **Clearly demonstrate that you have considered the other options**
 - Active enforcement
 - Landlord accreditation etc
- **Work with other services to obtain the bigger picture e.g. Planning & Waste Services**



Consultation

- **Develop a plan with your Consultation Officer – corporate buy in**
- **Target hard to reach groups**
- **Make sure you can demonstrate that you've talked to landlords**
- **Ensure public meetings are well advertised**
- **Remember that you have to send copies of public notices to everyone who responds...**



Manage expectations

- **General view that Licensing will solve all the problems caused by HMOs**
- **Licensing can be seen as a vehicle for other aims**
- **Clarify what will & will not be covered by licence fee**
- **Assume an initial service request increase**



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Where we are now and what next



Where we are now...

- **Original plan – October 2010**
- **Threatened Judicial Review**
- **Amendment of the proposed scheme in October**
- **First designation due to go live 24/1/2011**
- **Second due to go live 30/1/2012**



...and what next?

- Another Judicial Review?
- Low key publicity prior to 24th January 2011
- Developing back office systems
- Recruitment!
- Impact of localism?

