

## HOUSING PANEL (PANEL OF THE SCRUTINY COMMITTEE)

**Wednesday 9 November 2016**

**COUNCILLORS PRESENT:** Councillors Goff, Henwood (Chair), Pegg, Sanders, Thomas, Wade and Humphrey.

**OFFICERS PRESENT:** Andrew Brown (Scrutiny Officer), Adrian Chowns (Team Leader HMO Enforcement Team), Ian Wright (Service Manager Environmental Health), David Edwards (Executive Director City Regeneration and Housing), Neil Markham (Incomes Team Leader), Mark Jaggard (Planning Policy Manager), Sarah Harrison (Senior Planner), Nigel Kennedy (Head of Financial Services) and Bill Graves (Landlord Services Manager).

**BOARD MEMBERS PRESENT:** Councillors Hollingsworth (Planning and Regulatory) and Brown (Customer and Corporate Services).

**GUESTS PRESENT:** William James and Carolyn Puddicombe (University of Oxford, Paul Large and Sue Holmes (Oxford Brookes University).

### **72. APOLOGIES**

The Panel noted apologies from Stephen Clarke (Head of Housing and Property) and Tanya Bandekar (Revenue and Benefits Service Manager).

### **73. DECLARATIONS OF INTEREST**

No declarations.

### **74. HOUSING PERFORMANCE - QUARTER 2**

The Landlord Services Manager highlighted the measures that were below target at the end of September. He said that a rough sleeper count would be taking place in the coming weeks and that additional resource had been put in to processing new benefit claims.

The Panel queried an empty flat that had taken nearly a year to return to use and heard that this was a result of human error and that officers were taking steps to make sure this would not be repeated.

The Panel considered whether there would be merit in setting a target around the numbers of children in temporary accommodation but decided that this was not something the Council could control.

### **75. UNIVERSITY HOUSING NEEDS**

The Chair invited representatives of both universities to address the Panel.

The Pro Vice-Chancellor for Planning and Resource Allocation at the University of Oxford spoke first. He explained that the University had over 10,000 undergraduate students, who were mostly in college accommodation, plus about 10,000 graduate students including 4,500 postdoctoral researchers.

The Pro Vice-Chancellor for Planning and Resource Allocation at the University of Oxford said that researchers were young professionals from around the world who needed to live close to their research and should be treated differently from students who were taught. Students in this group tended to reside in the City for 3-4 years and were the most adversely affected by the housing situation, spending up to 60% of their earnings on housing costs. The University was in a position to develop 2,000 units of accommodation for these people to rent at affordable rates. The only impediment to doing so was the Council's affordable housing policy, which made such schemes unviable by requiring the delivery of new affordable housing. In summary the University of Oxford had two asks of the City Council:

1. That research students be exempt from the Council's planning policy target to have no more than 3,000 Oxford University students without a place in university provided accommodation living in the City.
2. That the development of employee housing schemes (such as purpose built accommodation for postdoctoral researchers) be exempt from planning policies requiring the direct or indirect delivery of new affordable housing.

The Director of Infrastructure Investment at Oxford Brookes University advised that his institution had some 12,000 students. This figure had remained fairly static over recent years but a growing proportion were seeking accommodation in Oxford which had led to the University exceeding the 3,000 target, despite making more rooms available in halls.

The Panel heard that Oxford Brookes University needed to focus on investing in its academic estate over the coming decade following years of under-investment. The University wanted to provide an attractive offer to students but the lack of availability and high cost of housing presented a double whammy. Land values in the City were incredibly expensive and the University had no land bank or significant un-earmarked capital for student accommodation. The University would be decamping from Wheatley over the coming 10 years and redeveloping facilities at Harcourt Hill. A new Student Residences Strategy had been agreed which set out the aims of increasing capacity and improving the quality of older halls but without sites or capital the University would need to work with private sector developers. The 3,000 target was a blunt instrument that should be revisited to ensure there were no perverse impacts on local services. For example, Oxford Brookes could train their share of the Government's 10,000 additional nurses and these trainee nurses would spend half their time working in local placements.

The Panel noted that a priority of the City Council was the delivery of new affordable housing and questioned whether the University of Oxford could use some of its land to support this. The Pro Vice-Chancellor for Planning and Resource Allocation at the University of Oxford said that the proposed developments totalling 2,000 units would relieve pressure on the lower end of the private rented sector, which would have wider benefits for the City. The University and its partners had land and could access very competitive rates of financing to deliver 2,000 units across multiple locations with the first tranche at

Osney Mead. They would not be seeking to make a profit but where university owned land was sold for commercial development the affordable housing policies would be applied.

The Panel asked whether 2,000 new units could be insufficient if the number of post-graduates in the City continued to grow. The Pro Vice-Chancellor for Planning and Resource Allocation at the University of Oxford said this sector had grown 7% per year since the global financial crisis, which had not been anticipated back in 2011. Some further growth was expected and 2,000 units would be a start. Lenders were keen to finance these schemes and more could be done if they were successful.

The Panel questioned whether an opportunity had been missed when a proposal for a community land trust at a specific site had been rejected. The Panel heard that the University was unwilling to take risks with an experimental proposal which would have involved going back through the planning process and may have been unviable. The University of Oxford was an educational charity as opposed to an all-purpose charity, and therefore it had to focus on supporting the best educational outcomes.

The Panel noted that staff members employed by the University were also affected by the high cost of housing and suggested that there was a need for a package of measures including student and social housing. The Panel heard that providing loss-leading social housing that would be subject to Right to Buy would not be in the University's interests. The Director of Estates and Facilities Management at Oxford Brookes University said that her university could potentially consider supporting this type of approach in 10-20 years' time but was focused on delivering its investment plan and refreshing its existing stock.

The Panel noted concerns about standards in the HMO sector and about students bringing vehicles into the City. The Director of Infrastructure Investment at Oxford Brookes University said that the increase in students living in HMOs was not a decision that his University had taken. He wanted these numbers to reduce because HMO accommodation was expensive and of poor quality. Oxford Brookes had three asks of the City Council:

1. The allocation of additional sites for student housing and the recognition that Oxford Brookes University would need to develop these in partnership with private sector developers.
2. That nursing and teaching students be exempt from the Council's planning policy target to have no more than 3,000 Oxford Brookes students without a place in university provided accommodation living in the City.
3. Tougher regulation to improve standards in the private rented sector.

The Chair asked the City Council's Executive Director of Housing and Regeneration and Board Member for Planning and Regulatory whether they had anything to add.

The Executive Director of Housing and Regeneration said that the Council was in continuous dialogue with universities as well as colleges and health partners. Significant developments of new student accommodation were coming forwards. The current affordable housing policy included provisions for reducing affordable housing requirements on viability grounds. The proposed new units of accommodation for postdoctoral students could potentially be delivered under

the current policy. He also noted that the hospitals could provide staff accommodation and generate a return rather than sell off their land.

The Board Member for Planning and Regulatory said that the percentage of affordable housing delivered under the current policy was 30%, which was a significant achievement given that small sites had been exempt. The Council's planning policies would all be reviewed as part of the Local Plan review and the universities were right to challenge them but the affordable housing policy was not as restrictive as some had made out.

In discussion the Panel also noted that:

- There was a need for a clear definition of keyworker.
- Planning policy targets for numbers of students without a place in university provided accommodation living in the City did not apply to language schools or other types of educational establishments.
- The City Council could encourage private developers of new student accommodation to work more closely with the universities.

## **76. HOUSES IN MULTIPLE OCCUPATIONS (HMOS)**

The Environmental Health Service Manager introduced the report. He said the HMO licensing scheme was self-funding and the fees structure rewarded good landlord practices. All student accommodation was exempt from HMO licensing. The Panel heard that HMO licensing and planning functions were legally separate and Government had indicated that it had no intention to link them. The two teams worked closely together but the Council could not refuse an HMO licence on the basis that planning permission had not been granted. The Council was the top district council in the country for enforcement and had prosecuted 25 landlords that year for unlicensed HMOs in very poor condition. All premises were inspected before licenses were granted and the Council could impose conditions on the licenses and inspect for compliance. Compliance rates were about 50%, which compared with 68% compliance against licensing conditions amongst food businesses. Additional powers were being granted to local authorities to clamp down on rogue landlords, with fixed penalty notices of up to £30k. The Government was also consulting on extending mandatory licensing but this was not expected to go as far as measures already adopted by the City Council. The Council was able to influence legislation through its involvement in a government consultation group.

In response to a question the Board Member for Planning and Regulatory said that the Council was able to estimate the number of HMOs in the City with increasing certainty. The aim was to licence as many HMOs as possible and to shift the emphasis to raising standards. The biggest gain the Team could make would be from software improvements that eliminate the need for manual data inputting, which would free up officer time for other tasks.

The Panel questioned the size of the HMO application backlog and heard that there was a backlog of 500 incomplete applications where the Team needed to chase landlords for additional information.

The Panel asked whether HMO licensing was an opportunity to raise standards beyond the bare minimum. The HMO Enforcement Team Leader said that the

legal standard was quite low but the Council was stretching the limits using a carrot and stick approach.

In response to a question, the Panel heard that 54 landlords had paid the maximum £999 fee for a 1 year license and in all of these cases the landlords had been actively avoiding licensing.

In response to a question, the Panel noted that the number of properties in a council area that were exempt from Council Tax was factored into the Governments calculations for distributing Revenue Support Grants (RSG). Given that RSG is being reduced each year and phased-out altogether, the Council could lobby for Council Tax exemptions to be factored into Business Rates formulas.

The Panel commented that the work of the team was very impressive and received assurances that the Council was actively sharing good practice with other local authorities.

## **77. RENT PERFORMANCE**

The Board Member for Customer and Corporate Services said the performance was very good. The Council was tackling arrears at an early stage but the roll out of Universal Credit and the Lowering of the Benefit cap created difficulties. The Head of Financial Services added that performance was above target and the age of the debt had come down, which was very positive. The Incomes Team Leader said that technical arrears showed total arrears on any given day in the year but did not take account of the phasing of direct debit payments or the fact that some months were longer than others; things that would balance out at year end. Genuine arrears did account for these factors.

The Panel questioned why the number of evictions was up, noting that this was still below the benchmark figure for similar authorities, and what happened to people when they were evicted. The Panel heard that the Council was being more pro-active tackling higher end debt but that the Incomes Team considered evictions to be a failure. Eviction had significant costs to the Council. Evictees were considered to have made themselves intentionally homeless and some had already abandoned the properties by the time an eviction was served. Emergency housing was provided for thirty days and any children would be housed by social services. The Board Member added that evictions were very regrettable but the Council had to take this action as a last resort on behalf of all the tenants who do pay their rent.

The Panel noted that arrears amongst former tenants were up and asked about the use of debt collection agencies. The Incomes Team Leader advised that recovering arrears from this group was a long process with the least returns. Officers had been impressed with the fair and ethical practices of both agencies employed by the Council.

The Panel questioned why the number of genuine arrears cases with debts ranging from to £0-£100 had increased from 492 in March 2016 to 811 in September 2016. The Panel heard that the Incomes Team had just implemented a new system that would generate automated letters to tenants with smaller debts and was one of the first district councils to do so. 400 letters

had been sent out the previous week and a further 300 would be sent in the coming days. Staff members would personally contact tenants when their debts became more serious. The Panel asked to have sight of these letters and suggested they should state that the Council's contact centre is closed for an hour at 11am every Thursday for staff training to avoid any distress. The Board Member advised that the letters were sent out on Wednesdays and that this would be changed to Thursdays to avoid people receiving letter calling when the Contact Centre was closed.

#### **78. TOWER PROJECT REVIEW UPDATE**

The Panel noted the paperwork and agreed to follow progress of the Tenant Scrutiny Panel's review.

#### **79. HOUSING PANEL WORK PROGRAMME**

The Scrutiny Officer introduced the report and noted that the date of the 3 May meeting had been changed to 26 April.

The Panel asked to look at the management of void properties.

The Panel also asked to meet informally to reflect on the evidence provided by the university representatives.

#### **80. NOTES OF PREVIOUS MEETING**

The Panel approved the notes of the meeting held on 5 October 2016.

#### **81. DATE OF NEXT MEETING**

Noted.

**The meeting started at 5.00 pm and ended at 7.15 pm**