

**To:** Cabinet  
**Date:** 18 March 2026  
**Report of:** David Butler, Director of Planning and Regulation  
**Title of Report:** Additional HMO Licensing Scheme Renewal

<b>Summary and recommendations</b>	
<b>Decision being taken:</b>	To approve the designation of the whole of the City of Oxford as subject to Additional HMO Licensing under section 56(1)(a) of the Housing Act 2004 for a further five years commencing from June 2026 and following expiry of the 3 month statutory notice period.
<b>Key decision:</b>	Yes
<b>Cabinet Member:</b>	Councillor Linda Smith, Cabinet Member for Housing and Communities
<b>Corporate Priority:</b>	Good, Affordable Homes
<b>Policy Framework:</b>	Housing and Homeless Strategy 2023-28

<b>Recommendation(s):</b> That Cabinet resolves to:	
1.	Having considered the outcome of the statutory consultation and the evidence previously considered by Cabinet in October 2025, confirm that the statutory tests set out in sections 56 and 57 of the Housing Act 2004 are met and that a renewed Additional HMO Licensing Scheme is required.
2.	Designate the whole of the City of Oxford as subject to Additional HMO Licensing under section 56(1)(a) of the Housing Act 2004 for a period of five years commencing from June 2026 and following expiry of the 3 month statutory notice period.
3.	Delegate authority to the Director of Planning and Regulation to finalise and sign, publish and implement the designation and take all necessary steps to give effect to the renewed scheme.
4.	Approve the Additional HMO Licensing Scheme as set out in Appendix 2 including the simplified licence condition relating to waste management.

5. Note that the Additional HMO Licensing Scheme will continue to operate on a full cost-recovery basis, with licence fees set through the Council's annual budget and fees and charges approval process.

<b>Appendix No.</b>	<b>Appendix Title</b>	<b>Exempt from Publication</b>
<b>Appendix 1</b>	Consultation findings	No
<b>Appendix 2</b>	Additional HMO Licensing Scheme and Conditions	No
<b>Appendix 3</b>	Finance	No
<b>Appendix 4</b>	Risk Register	No
<b>Appendix 5</b>	Equity Impact Statement	No

### **Introduction and background**

1. The Housing Act 2004 gives local authorities the power to introduce additional licensing schemes for Houses in Multiple Occupation (HMOs) where evidence shows that a significant proportion are being poorly managed, resulting in problems for occupiers or the wider community.
2. Mandatory HMO licensing, set out in the Housing Act 2004, applies to every local authority and regulates larger HMOs occupied by five or more unrelated people. Councils also have the discretionary power to introduce additional licensing which extends the licensing requirement to smaller HMOs not covered by the mandatory scheme. Oxford City Council has operated a citywide Additional HMO Licensing Scheme since 2011, renewed in 2016 and again in 2021. The current scheme is due to expire in June 2026.
3. In October 2025, Cabinet considered a review of the operation of the current scheme and resolved that a statutory consultation should be undertaken on a proposal to renew the scheme in its entirety for a further five years. That report concluded that the statutory tests for renewal were met and that continued licensing remained necessary and proportionate.
4. This report follows completion of that statutory consultation. It reports on the consultation outcome and seeks Cabinet approval to formally designate a renewed Additional HMO Licensing Scheme under section 56 of the Housing Act 2004.

## **Consultation overview**

5. In accordance with section 56(3) of the Housing Act 2004, the Council undertook a statutory consultation for a period of not less than ten weeks on the proposed renewal of the Additional HMO Licensing Scheme. The consultation ran from 10 November 2025 to 1 February 2026. It sought views from landlords, letting and managing agents, tenants, residents, community groups and other stakeholders.
6. The consultation was promoted through the Council's website, targeted communications to known stakeholders, and direct engagement with landlords and agents. In addition to the online consultation, two in person engagement sessions were held as part of the Landlord Forum and Agent Forum, attended by approximately 100 landlords and 40 agents respectively.
7. Responses were invited through an online survey and written submissions. A total of 80 responses were received. A summary of the consultation responses and a more detailed analysis are provided in Appendix 1.

## **Key consultation themes**

8. Responses to the consultation identified a number of recurring themes across stakeholder groups. Tenants, residents and representative organisations expressed broad support for the continuation of additional HMO licensing, particularly in relation to improving property standards and protecting tenant safety. Landlords and agents expressed more mixed views, with some raising concerns about regulatory burden while others acknowledged the role of licensing in maintaining standards and supporting a level playing field within the sector.
9. Across all respondent groups, fire safety, overcrowding and effective management practices were consistently highlighted as priority issues within the HMO sector. Respondents also emphasised the importance of consistency, transparency and proportionality in the operation of the scheme.
10. While views differed between stakeholder groups, the consultation demonstrated that the issues identified in the October 2025 Cabinet report remain live and that renewal of the scheme continues to attract support as a mechanism for addressing those issues.

## **Officer response and proposed scheme**

11. Officers have carefully considered all responses received during the statutory consultation, in accordance with section 56(3) of the Housing Act 2004.
12. Having regard to the consultation responses, the evidence previously considered by Cabinet in October 2025, and the ongoing operation of the current scheme, officers remain satisfied that a significant proportion of HMOs in the city continue to be managed ineffectively so as to give rise to problems for occupiers and the wider community. Officers also consider that renewal of Additional HMO Licensing will

significantly assist the Council in addressing those problems and that continued designation remains consistent with the Council's Housing and Homelessness Strategy and wider regulatory approach.

13. It is therefore proposed that the Additional HMO Licensing Scheme be renewed broadly on the same basis as the current scheme, with no material changes to scope or operation. The only proposed change relates to a simplification of the licence condition relating to waste management, reflecting operational experience under the current scheme.
14. It is therefore proposed that Cabinet approve the designation of the whole of the City of Oxford under section 56(1)(a) of the Housing Act 2004 for a period of five years commencing in June 2026. The renewed scheme would continue to operate on the same basis as the current designation, including the scope of licensable properties, licence conditions and operational approach, with the existing fee structure retained on a full cost-recovery basis.

### **Alternative options considered**

15. As set out in the October 2025 Cabinet report, alternative options to renewal were considered, including allowing the scheme to lapse or limiting the designation to specific areas. These options were not supported due to the ongoing evidence of poor conditions and ineffective management across the city and the risk of undermining progress made since 2011.
16. The consultation did not raise any new alternatives that would provide an effective or proportionate substitute for additional licensing. Officers therefore remain of the view that renewal of a citywide scheme is the most appropriate course of action.

### **Implications of Local Government Reorganisation**

17. In preparing this report, regard has been given to Government guidance on financial decision-making in advance of Local Government Reorganisation.
18. Additional HMO Licensing is a discretionary power available to local housing authorities under Part 2 of the Housing Act 2004. The proposed renewal of the scheme does not involve long-term financial commitments, borrowing or capital expenditure, and is intended to operate on a full cost-recovery basis through licence fees approved as part of the Council's annual budget process. It therefore does not give rise to financial liabilities that would transfer to any successor authority.
19. Renewal of the scheme is intended to maintain continuity of housing regulation and tenant protection during any transition period associated with Local Government Reorganisation. Allowing the current scheme to lapse would risk creating a gap in regulatory oversight and undermining progress made in improving housing standards.
20. Any successor authority arising from Local Government Reorganisation would retain the ability to review, amend or discontinue the scheme in accordance with the Housing Act 2004.

## **Financial implications**

21. The Additional HMO Licensing Scheme is intended to operate on a full cost recovery basis, funded through licence fees. Any costs associated with the statutory consultation have been met from existing service budgets, and the scheme does not require subsidy from the Council's General Fund.
22. Since 2016, the Council has operated a charging structure designed to reflect levels of compliance and ensure that compliant landlords are not subsidising noncompliant ones. Following relevant case law, a two-part fee structure was introduced in 2019, with the first part charged on application to cover processing and inspection costs and the second part charged when the Council is in a position to grant a licence to cover ongoing operational and enforcement costs. This approach supports transparency, proportionality and cost recovery.
23. The renewal of the Additional HMO Licensing Scheme does not involve changes to the structure of licence fees. Any adjustments to fee levels for future financial years will be considered and approved through the Council's annual budget and fees and charges approval process, in line with statutory guidance and case law. The proposed 26/27 fees and a forecast of the renewed scheme's costs and income is provided in Appendix 3.

## **Legal issues**

24. The legal framework for Additional HMO Licensing is established under Part 2 of the Housing Act 2004, which grants Local Authorities discretionary powers to designate areas for additional licensing where they consider that a significant proportion of HMOs are being managed sufficiently ineffectively as to give rise to problems for occupants or members of the public.
25. Section 56 of the Act sets out the conditions that must be satisfied before a designation can be made, requiring the authority to consider the extent of ineffective management and take reasonable steps to consult with affected persons.
26. Section 57 further requires the authority to ensure that any designation is consistent with their overall housing strategy, adopts a coordinated approach with other housing enforcement activities, considers alternative courses of action, and will significantly assist in dealing with identified problems.
27. A statutory consultation has now been undertaken in accordance with section 56(3), and all representations received have been conscientiously considered. Officers are satisfied that the statutory conditions in sections 56 and 57 continue to be met and that the proposed designation is lawful, proportionate and justified.
28. Following any decision to renew the scheme, Section 59 requires a minimum of 3 months' notice before the designation comes into force, during which time the Council must publish the designation and notify affected persons. The proposed fees must be set in accordance with the statutory guidance and recent case law, ensuring they reflect the costs incurred in operating the scheme and do not exceed the reasonable costs of the licensing function.

### Level of risk

29. The updated risk register is attached at Appendix 4. There are no abnormal risks identified.

### Equalities impact

30. An updated Equality Impact Assessment is attached at Appendix 5. The assessment recognises that HMOs provide housing for a wide range of residents, including students, young professionals, low-income households and families with children, as well as people from minority ethnic backgrounds and other groups who may be more reliant on the private rented sector. Poorly managed HMOs can have a disproportionate impact on these groups, particularly in relation to health, safety and financial vulnerability. Renewing the licensing scheme has the potential to deliver positive equalities outcomes by improving standards and protecting tenants in a part of the housing market where disadvantage is more prevalent.

### Carbon and Environmental Considerations

31. While there are no direct carbon implications arising from the decision to renew the scheme, effective management of HMOs can support wider environmental objective. Properties with low energy efficiency standards contribute to higher carbon emissions. Poorly managed HMOs also generate waste management challenges where household systems are inadequate or not properly used. The licensing scheme provides opportunities to improve environmental performance through licence conditions requiring appropriate facilities for waste storage and collection. Licence conditions can also be used to encourage energy efficiency improvements, though these must be proportionate to the scheme's core objectives around safety and management standards.

### Conclusion

32. The statutory consultation has confirmed that the issues which led to the introduction and continuation of Additional HMO Licensing in Oxford remain relevant. Renewal of the scheme will enable the Council to maintain a proactive, proportionate and consistent approach to regulating HMOs and protecting tenants and communities. Cabinet is therefore recommended to approve the designation of a renewed citywide Additional HMO Licensing Scheme for a further five year period from June 2026 and following expiry of the 3 month statutory notice period.

<b>Report author</b>	Courtney Bennett
Job title	Regulatory Services Manager
Service area or department	Planning and Regulation
Telephone	01865 252455
e-mail	<a href="mailto:Cbennett@oxford.gov.uk">Cbennett@oxford.gov.uk</a>



This page is intentionally left blank