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# Oxford



# Enforcement is inevitable...

- ▶ 63 successful prosecutions
- ▶ £300K in fines
- ▶ 43 Formal cautions
- ▶ 3 (HB) Rent Repayment Orders (RRO)
- ▶ £20k repaid
- ▶ 6 Interim Management Orders (IMO)

# Management Orders

- ▶ Chapter 1 of Part 4 - Housing 2004
- ▶ Section 102 - Interim Management Orders (IMOs)
- ▶ Mandatory duty and discretionary power

# Duty to Make IMO

- ▶ s.102 (1) (a) - MUST make an IMO where:
- ▶ s.102 (2) (a) - HMO ought to be licensed, but is not and
- ▶ s.102 (2) (b) - Consider either
  - ▶ No reasonable prospect of an HMO licence
  - ▶ Health and safety condition satisfied (s.104)

# Duty to Make IMO

- ▶ s.102 (3) (a) - HMO required to be licensed and is licensed
- ▶ s.102(3) (b) - revoked licence but not in force and
- ▶ s.102 (3) (c) - Either on revocation coming into force
  - ▶ No reasonable prospect of an HMO licence
  - ▶ Health and safety condition satisfied

# Power to Make IMO

- ▶ s.102 (1) (b) MAY make an IMO where
- ▶ s.102 (4) (a) - It is an HMO that is not required to be licensed; and
- ▶ s.102 (4) (b) - Authorised by the FTT to make Order
- ▶ FTT must be satisfied that the health and safety condition applies

# No reasonable prospect

- ▶ No guidance about meaning
- ▶ Adopt informal approach to ensure that a licence is issued
- ▶ Warning letters, appointment of other persons as licence holder if the landlord is not a 'fit and proper' person.
- ▶ Follow enforcement
- ▶ In principle, prosecution or simple caution action will precede the making of an IMO.



# Health and Safety Condition

- ▶ s.104 (2) - Condition satisfied if Order is necessary to protect the health, safety and welfare or;
- ▶ Persons occupying or owning property in the vicinity.
- ▶ s.104 (3) - Avoidance of licensing with threat to evict may constitute threat to welfare
- ▶ s.104 (4) - Condition is not satisfied if LA required to take action under Part 1 (HHSRS) and;
- ▶ Health, safety or welfare would be protected by taking that course of action

# Operation

- ▶ s.105 (2) - Other than revocation takes immediate effect
- ▶ s.105 (3) - Order comes into force when revocation effective
- ▶ Revocation subject to appeal
- ▶ IMO takes effect when appeal determined

# Duties

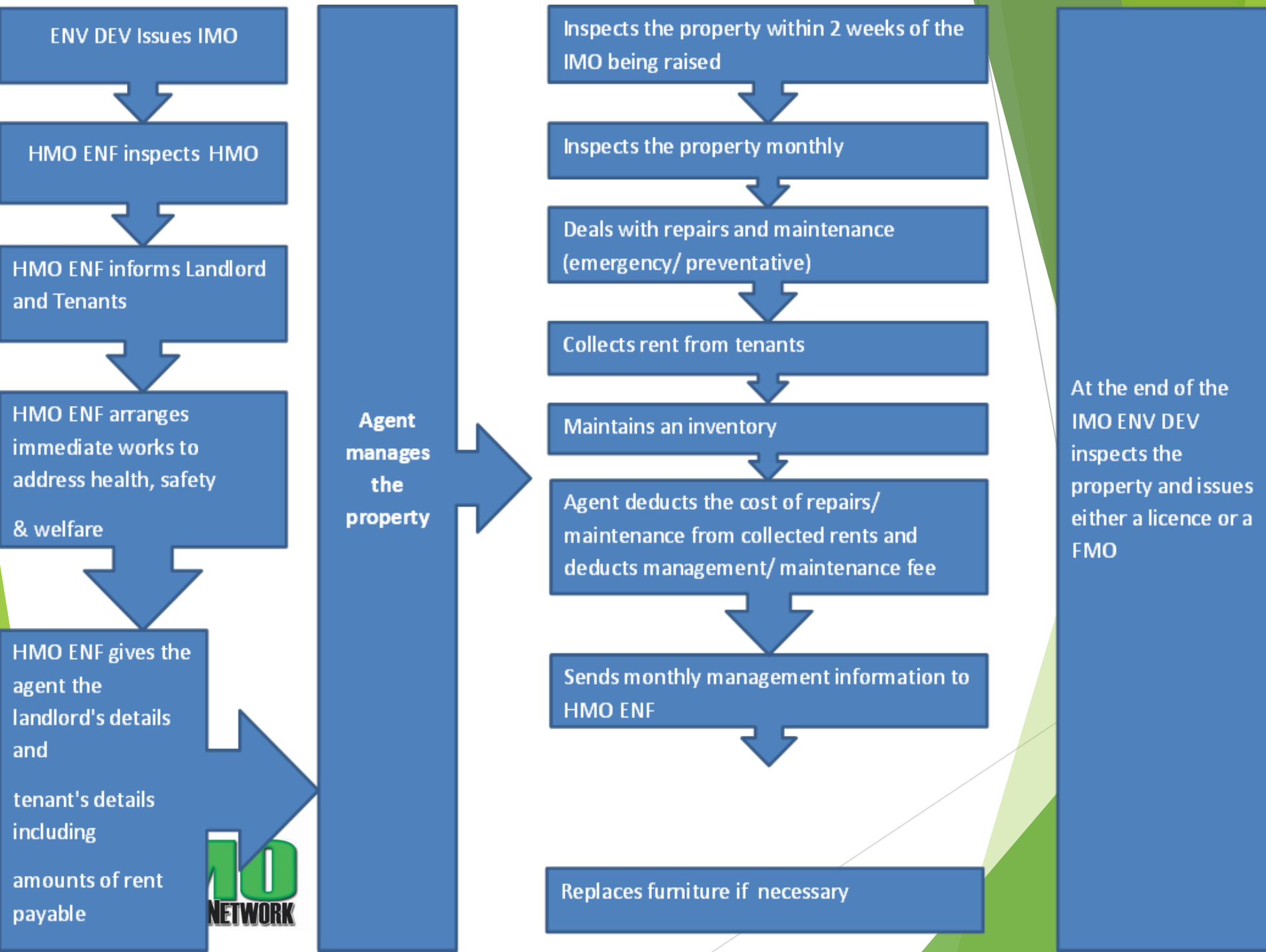
- ▶ s.106 (1) - Must comply as soon as practicable after Order takes effect
- ▶ s.106 (2) - Must first take any immediate steps to protect health, safety and welfare
- ▶ s.106 (3) - Also take other steps appropriate to manage

# General Effect

- ▶ s.107 (3) (a) - LHA right to possession subject to existing rights to occupy
- ▶ s.107 (3) (b) - Do anything landlord could do
- ▶ s.107 (3) (c) - Create new tenancies (consent from LL)
- ▶ s.109 (2) (a) - Collect rent (landlord not entitled to rent)
- ▶ s.109 (4) - Landlord still responsible for any mortgage or rights under a lease - except those that prevent LA from exercising their power/duties

# In practice....

- ▶ Following a successful prosecution or acceptance of a formal caution
- ▶ Landlord/agent is no longer considered to be a “fit and proper person”
- ▶ Licence is revoked (if licensed) or refuse to licence and no licence application made
- ▶ Suitable alternative (competent) person required to be licence holder/ manager



# Case Studies



# Fire Safety issues



NETWORK





# Management issues



# Bed in Shed



# Non compliance



# Before

- ▶ Problematic landlords - incompetent/ fraudulent
- ▶ Poor standards of management
- ▶ Multiple defects
- ▶ Tenants 'ducking and diving'
- ▶ Expensive to improve
- ▶ Difficult to manage

# After

- ▶ Improved
- ▶ Managed through accredited agent
- ▶ Licensed
- ▶ For sale or sold
- ▶ Reduced impact
- ▶ Sometimes things don't go to plan...

## Pro`s

- ▶ Quick and simple
- ▶ Protect tenants
- ▶ Improve conditions
- ▶ Focus landlords mind
- ▶ Viable option
- ▶ OCC retained housing stock
- ▶ In house management team
- ▶ High rents = cost effective

## Con`s

- ▶ Draconian
- ▶ Raise expectations
- ▶ Low end of market
- ▶ Difficult to create new tenancies
- ▶ Unscrupulous landlords
- ▶ Tenants problematic
- ▶ That bad no one else will manage
- ▶ Limited control



# Useful Documents

- ▶ Decision to make an IMO
- ▶ IMO
- ▶ I&DeA - Guide to IMOs
- ▶ LACORS - IMOs

