

# Perceptions of Selective Licensing

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Oldham Council

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# 1. Introduction

1.1 As part of the review of the current selective licensing scheme, primary research has been undertaken on the perceptions of local stakeholders. This is very important evidence. Often there is a time lag between an area changing in terms of individual views (qualitative information) and the data (quantitative). An online survey was agreed with the council and sent to stakeholders asking about their perceptions of selective licensing. Stakeholders included:

- Agents
- Registered providers
- Local businesses
- Local landlords

## 2. Headline findings

- Almost 1 in 5 (16.3%) of respondents would like to see licensing continue.
- Positive comments regarding landlords outline that many of the intended benefits of licensing are being recognized: Landlords are more responsible, properties are in a better state, it's a selling point to potential new residents, better environment for living and it makes landlords do the essentials.
- Whilst, there are still a significant percentage of respondents who do not consider licensing to have made improvements, there are signs that respondents do think licensing has had and is having a positive impact and many with 'no opinion'; potentially still reviewing the impact. This is far more positive than during the set up of the scheme, where there was very little support.
- Whilst there are many negative comments, a large number of them relate to individual landlord outcomes rather than for the overall area impact. For example, the scheme may be needed for rogue tenants, but all landlords are penalised with the fee for a bad reputation of the few and it has caused hassle, burden, and stress for landlords and is an extra financial burden on landlords which has caused loss of profits. Whilst this feedback is important and relevant, it was always recognised that landlords would consider these sorts of issues to be the case and does not confirm that selective licensing has not had a positive impact.
- The feedback will assist in focusing the support and workload of Oldham Council in providing advice, guidance and support for landlords.

## 3. Full findings

### Overview

- 3.1 Stakeholders were invited to participate in an online survey aimed at gathering information on stakeholders' perceptions of the impact of selective licensing on the areas of Alexandra, Coldhurst, Hathershaw, Hollinwood, Oldham Edge, Primrose Bank, St Marys and Waterhead. A total of 80 separate responses to the stakeholder consultation were obtained.
- 3.2 The majority (87.5%) of stakeholders responding to the online survey were private sector landlords. The other 12.5% of respondents were non-landlords and included: lettings or management agents, tenants, a resident, a councillor and a council service.
- 3.3 Responses were received from stakeholders in each of the selective licensing areas. Table 3.1 below shows the percentage of stakeholders responding to the survey that pertain to each selective licensing area; multiple areas apply to some stakeholders.

Selective Licensing Area	Percentage
Alexandra	18.8%
Coldhurst	7.5%
Hathershaw	38.8%
Hollinwood	30.0%
Oldham Edge	6.3%
Primrose Bank	3.8%
St Marys	18.8%
Waterhead	17.5%

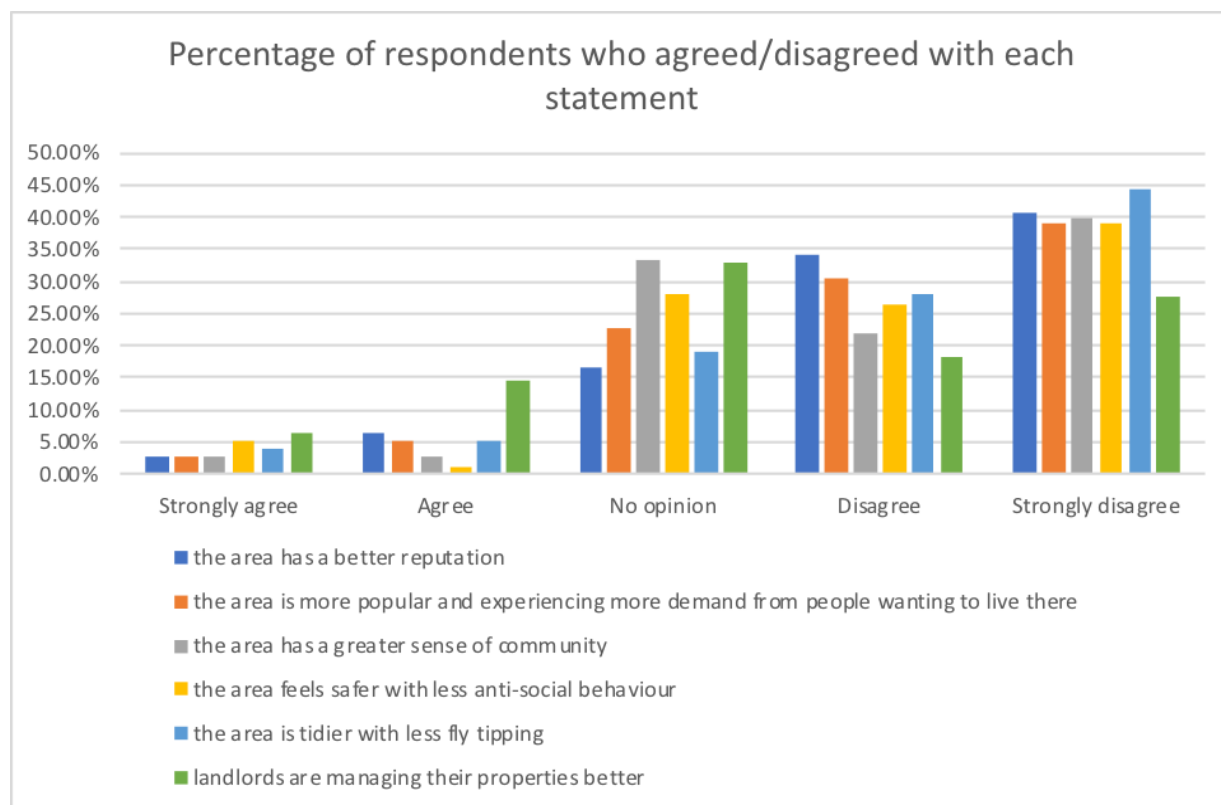
### The impact of selective licensing

#### General

- 3.4 Stakeholders were given the following statements and asked the extent to which they agree or disagree with them:
- 3.5 'Since the introduction of selective licensing in these areas 5 years ago...
- ...the area has a better reputation'
  - ...the area is more popular and experiencing more demand from people wanting to live there'
  - ...the area has a greater sense of community'
  - ...the area feels safer with less anti-social behaviour'
  - ...the area is tidier with less fly tipping'
  - ...landlords are managing their properties better'

- 3.6 Graph 3.1 shows the level of agreement amongst respondents for each of the above statements. All statements received more disagreement than agreement. Notably, there were also high levels of ‘no opinion’ expressed by respondents.

**Graph 3.1** Percentage of respondents who agreed/disagreed with general statements relating to selective licensing



- 3.7 The survey then asked stakeholders whether there are any other impacts on the area, both positive and negative, which they would like to tell us about. These are detailed below.

3.8 Positive:

- Educating landlords
- Landlords are more responsible
- Properties are in a better state
- It's a selling point to potential new residents
- Ensuring quality is a good thing for everyone
- Better environment for living
- It makes landlords do the essentials

- 3.9 All of the positive comments listed above came from private sector landlords who responded to the survey. However, it should be noted that a similar number of

comments from other private sector landlords referred to the selective licensing scheme as having no positive impacts on the area.

3.10 Negative:

- Nothing has changed/made no difference/had no positive impact
- No support for landlords
- Not enough educating tenants e.g. how to avoid dampness etc.
- Heavy handed policing deters people from buying properties in the area
- Extra things are asked to be done which are not important
- No action towards rogue landlords / those who have not registered
- Introduction of a tax with no benefits or information for landlords
- Rent increases due to extra cost of licensing = bad for tenants
- Harder to find tenants
- Costly to landlords
- The fee is unfair to landlords who were already meeting the needs of residents and meeting the regulations
- Landlords are selling properties because of expense and government tax change causing shortages of property to let
- Potentially made the area worse
- Licensing has made it harder to evict troublesome tenants

3.11 Negative comments made from non-landlords focused on the increased costs to tenants as a result of selective licensing fees which have been passed onto tenants through rent increases. This was also a concern for private sector landlords, along with all other comments listed above.

## Landlords

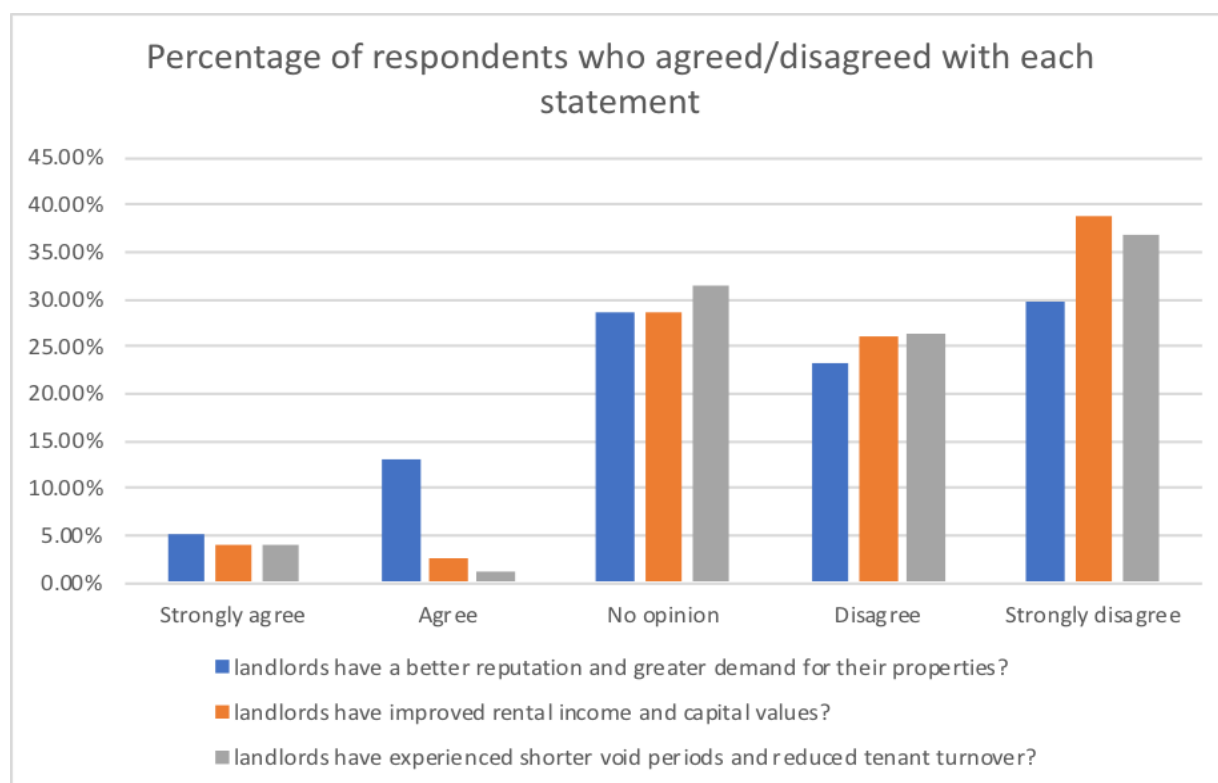
3.12 Stakeholders were given the following statements and asked the extent to which they agree or disagree with them:

3.13 'If you are a landlord, or work with landlords in the area, do you feel that...

- ...landlords have a better reputation and greater demand for their properties?'
- ...landlords have improved rental income and capital values?'
- ...landlords have experienced shorter void periods and reduced tenant turnover?'

3.14 Graph 3.2 shows the level of agreement amongst respondents for each of the above statements relating to the impact on landlords of selective licensing. All statements received more disagreement than agreement. Notably, there were also high levels of 'no opinion' expressed by respondents.

**Graph 3.2** Percentage of respondents who agreed/disagreed with statements relating to landlords



3.15 The survey then asked whether there are any other impacts on landlords in the area, both positive and negative, which they would like to tell us about. These are detailed below.

3.16 Positive:

- There is better value placed on the property – more respect

3.17 Negative:

- Nothing has changed/made no difference/had no impact
- House prices haven't changed
- Council does not assist groups of landlords
- Loss of profit for landlords
- No action taken to tackle rogue/unlicensed landlords
- Focus on landlord responsibility, not enough on tenant responsibility
- Not enough rent to cover DSS tenants
- The licensing scheme has done nothing to improve tenant demand
- Private landlords are being penalised unfairly
- The cost of the licensing is a massive disincentive to provide property to rent in these areas

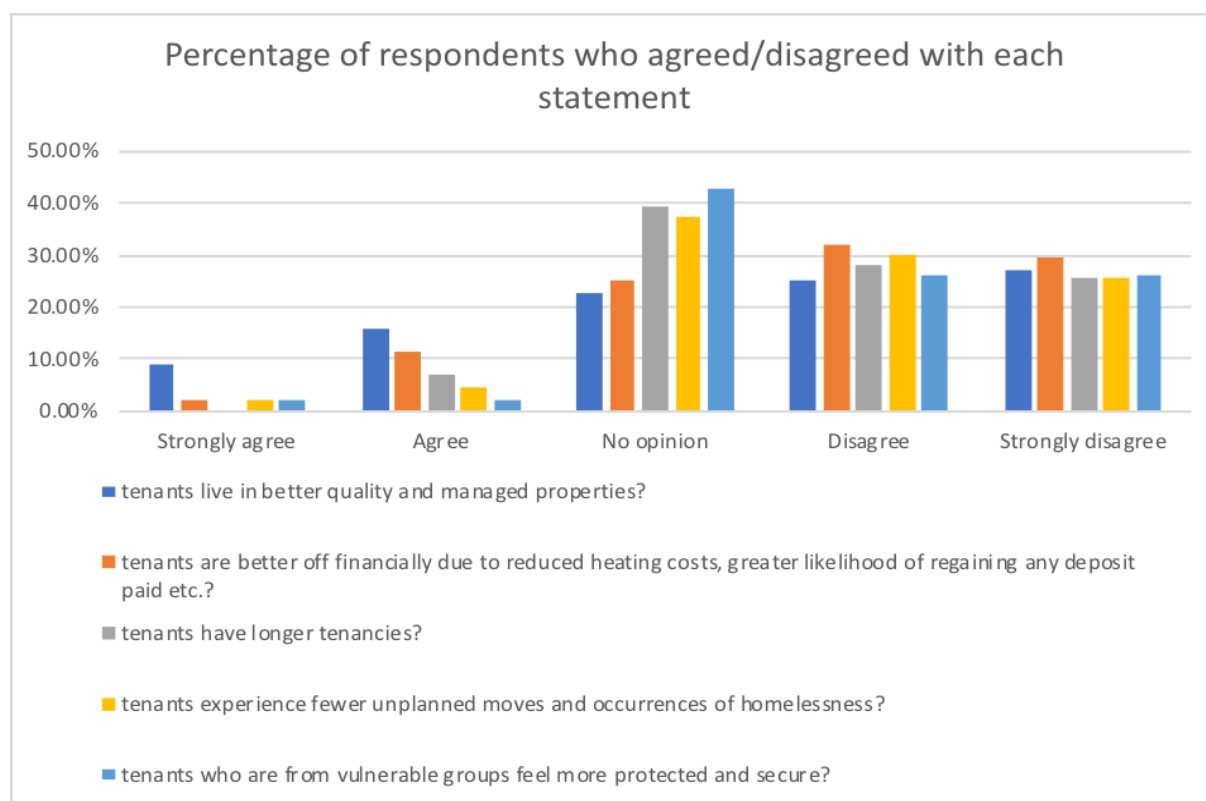


- Licensing fee seems to offer no benefit to landlords
  - Extra cost and administrative burden
  - It punishes the good landlords
  - Landlords selling properties due to these licence fees
- 3.18 Again, any negative comments made from non-landlords focused on the increased costs to tenants as a result of selective licensing fees which have been passed onto tenants through rent increases. This was also a concern for private sector landlords, along with all other comments listed above.

## Tenants

- 3.19 Stakeholders were given the following statements and asked the extent to which they agree or disagree with them:
- ‘If you are a tenant, or work with tenants in the area, do you feel that...
- ...tenants live in better quality and managed properties?’
  - ...tenants are better off financially due to reduced heating costs, greater likelihood of regaining any deposit paid etc.?’
  - ...tenants have longer tenancies?’
  - ...tenants experience fewer unplanned moves and occurrences of homelessness?’
  - ...tenants who are from vulnerable groups feel more protected and secure?’
- 3.20 Graph 3.3 shows the level of agreement amongst respondents for each of the above statements relating to the impact on tenants of selective licensing. All statements received more disagreement than agreement. Notably, there were also high levels of ‘no opinion’ expressed by respondents.

**Graph 3.3** The percentage of respondents who agreed/disagreed with statements relating to tenants



3.21 The survey then asked whether there are any other impacts on tenants in the area, both positive and negative, which they would like to tell us about. These are detailed below.

3.22 There were no positive impacts reported by respondents on tenants in the area due to the introduction of selective licensing.

3.23 Negative:

- It has made no difference/had no impact on tenants' lives
- Cost is being passed onto the tenants by an increase in rents
- Tenants constantly in fear of eviction – as a result they are not looking after properties
- Less properties available to rent as landlords are disposing of properties covered by the scheme
- Increased uncertainty for tenants

## Continuation of scheme

- 3.24 Asked whether they would support the continuation of the scheme, 16.3% of respondents said 'yes', whilst the majority (83.8%) said 'no'.
- 3.25 Those who would support the continuation of the scheme were asked to explain their reasons for this continued support. The reasons given included:
- It took a long time to start having an impact. Now that it has started, it needs to continue so that it can be further developed
  - It is good to try and keep the standard of rental properties in good condition and this helps maintain higher standards and quality
  - Gives both the landlord and tenant a sense of security and reinforces the roles and responsibilities both parties have to play
  - It improves landlord's interest in the area
  - The concept of selective licensing is fine provided that the "less acceptable landlord" is brought into line and chased
  - The scheme has upgraded the housing stock in the area and all landlords are now on equal footing
  - Tenants have benefited from better quality housing and have the security of known minimum standards of accommodation
  - Tenants need protection and support
  - Tenants respect the property better; anti-social behaviour has dropped
  - Better place to live
- 3.26 Those who do not support the continuation of the scheme were also asked to explain their reasons for their lack of continued support. The reasons given included:
- No visible improvements to the area/no difference made/no change
  - Other areas that have used selective licensing in the past have not worked
  - The licencing fee feels like a 'penalty' on good, genuine landlords
  - Very little support is received from council officers for licensed landlords
  - Rents have increased due to extra cost = bad for tenants; and property prices have dropped
  - Limited contact from council team for both tenants and landlords
  - Queries are ignored by the landlord licencing department and the attitude and approach of many members of the team are 'officious' or 'hostile'
  - It makes it harder to get tenants as the rent has become more expensive, due to the introduction of the licensing
  - The scheme may be needed for rogue tenants, but all landlords are penalised with the fee for a bad reputation of the few

- It has caused hassle, burden, and stress for landlords and is an extra financial burden on landlords which has caused loss of profits
- Does not explain to landlords what we get out of it, who has been prosecuted for not registering, what the fees are spent on etc.
- It serves only to remind landlords of their responsibilities. There is no guidance or help on offer for genuine landlords who may experience difficulty with tenants failing to comply with their responsibilities
- It has been detrimental to the management of properties where it has created more administration with no benefits
- The tenants should be licenced, not the landlords
- Landlords are disposing of properties covered by these schemes, as they cost time and money to the landlord that is not required when done properly through reputable letting agents. This in turn drives rents higher and puts more strain on social housing.
- The unfairness of the scheme – it goes against equal opportunity for all
- Landlords have not received no benefit from the scheme considering the amount paid – no improved service as a result
- As a good landlord, who does carry out repairs when needed, the license charge could be spent on repairs rather than cost of license
- The cost is way higher than I think is reasonable to put on landlords. I would only support continuing it if the cost were substantially lower
- The scheme should be targeted at specific (rogue) landlords that do not comply with a minimum set of standards, rather than an area
- The council have not run the scheme effectively, for example landlord payments to the scheme have not been cashed on time and then the council have issued non-payment notices
- The licence fee should be imposed on all landlords in areas under the control of Oldham Council
- It has reduced the number of landlords in the area and landlords have been selling their properties due to the scheme
- In order to improve the licensed areas, equal measures need to be implemented in penalising rogue landlords as well as rogue tenants. The problem with the scheme is that it has attributed 100% of the accountability to landlords and 0% to the tenants
- It has made no positive impact on the area at all, if anything it is worse now than when the scheme was introduced

## Overall

- 3.27 Overall, stakeholders were asked how they rate the success of the selective licensing scheme in meeting its objectives. This was rated on a scale of 1-10, with 1 being very unsuccessful and 10 being very successful. Almost half of respondents (49.4%) rated the scheme as 'very unsuccessful', whilst 15.6% rated the scheme as neither very unsuccessful or very successful and 6.5% rated it as 'very successful'.

**Table 3.2** Percentage of respondents who rated the success of the SL scheme on a scale of 1-10

Scale	1	2	3	4	5	6	7	8	9	10
%	49.4%	7.8%	7.8%	5.2%	15.6%	1.3%	2.6%	1.3%	2.6%	6.5%

## 4. Conclusions

- 4.1 The introduction of selective licensing is always likely to be controversial and the feedback confirms that it remains so. However, there is positive feedback, recognising the impact that selective licensing is having, there also seems to be feedback that respondents are still considering the impact it will have. It is early days for selective licensing but there is a recognised element of positive outcomes by stakeholders, some of which include landlords.