

## **Breckland District Council Additional HMO Licencing scheme**

### **1.0 Introduction**

- 1.1** Over the last decade rural East Anglia has seen an unprecedented influx of foreign economic migrants to fill gaps in the agricultural and food processing workforces. Many of these migrant workers ended up in Breckland, particularly in the town of Thetford.
- 1.2** As these industries are predominantly rural based the migrants either deliberately sought out, or were placed, in any convenient, available, accommodation local to the available work. Much of this accommodation was multiply occupied as defined by the Housing Act 1985 and subsequently the Housing Act 2004. In November 1996 the number of known HMOs in Breckland was 60. As at 1<sup>st</sup> November 2007 the number was 526
- 1.3** Breckland District Council's area consists of 506 square miles of predominantly agricultural and forested land with 5 evenly dispersed small market towns. Approximately 50% of the housing stock is in these 5 market towns with the remainder scattered through the rural parishes.
- 1.4** The population of is overwhelmingly of white, British origin.
- 1.5** The first influx of migrant workers were Portuguese deliberately recruited to work in agriculture and subsequently in the associated food processing industry including poultry rearing and processing and vegetable packing.
- 1.6** The second wave was from the European Union A8 succession countries, predominantly from Poland, Latvia and Lithuania. These legal migrant workers have been bolstered by illegal immigrants from China, India, Russia, Ukraine and Brazil. There is no totally reliable count of migrant worker numbers in Breckland but estimates put the figure at any one time in the region of 5 – 6,000, ( the mid 2005 population estimate for Breckland was 127,100 ).
- 1.7** Initial Portuguese migrants were individuals but subsequently many were joined by other immediate family members, ( spouses and children ), and also by parents and grandparents. Eastern European migrants have tended to be single.
- 1.8** With a sparsely populated rural area it is possible for HMOs to become established without any prior knowledge of officers from the Council, nor are there "typical" HMO areas in the market towns. Even once officers become aware of a newly established HMO it can take some time to prove ownership and to contact the owner to carryout a full inspection. Further time is required to bring the HMO up to standard.

Once officers begin to take appropriate enforcement action the occupants of an HMO are often decanted to another property and the use of the HMO ceases, often to be resurrected at a later date. The location and numbers of HMOs is considered to be, therefore, highly variable and significant officer time is taken up in "chasing" HMOs around the district.

## **2.0 Proposed area for additional licencing**

- 2.1** Whilst the majority of HMOs in Breckland are located in the market towns significant numbers are found in the rural villages with neither a history of multiple occupancy nor any properties typically associated with such occupation.
- 2.2** As at 1<sup>st</sup> November 2007 there are 323 HMOs in the 5 market towns, ( Thetford, Swaffham, Watton, Attleborough and Dereham ), and 203 in the rural parishes.
- 2.3** It is therefore proposed that the area covered by the additional licencing scheme will be the entire administrative area covered by Breckland District Council, ( see map at Appendix A ).It is also proposed that the scheme will cover all classes of HMOs that are covered by sections 254 and 257 of the Housing Act 2004 and are not exempted from the definition of multiple occupancy.
- 2.4** A consultation document was produced and widely circulated. A copy of this document and the responses are detailed at Appendix B

## **3.0 Current actions to tackle management issues in HMOs**

- 3.1** Initially, following the introduction of the Housing Act 2004, 34 premises were identified as potential mandatory licencable HMOs. Many owners subsequently altered occupation to take them out of that regime leaving just 5 HMOs that have a mandatory licence. Subsequently a further 2 have been identified and are currently being dealt with. The owner of these properties had been advised of the need to apply for a mandatory licence but had failed to do so, claiming that they were not in multiple occupation.
- 3.2** Many of the HMOs are owned and/or managed by the persons or organisations that also find employment for the migrant workers. We have also found evidence of a symbiotic relationship between some providers of accommodation and gangmasters which demonstrates a high degree of collusion. This clearly creates potential of coercion of migrant workers to work excessive hours or endure poor working conditions or suffer the loss of accommodation as well as employment. There is also strong evidence that these arrangements facilitate the deduction of accommodation costs from wages earned leaving many migrant workers with little, or no, money to improve their circumstances.
- 3.3** Where accommodation is provided by gangmasters as an adjunct to their main business as providers of labour there is evidence that there is insufficient regard to the requirements of housing and landlord/tenant legislation.
- 3.4** There is evidence from Operation Pentameter that there are links between HMOs and organised crime that people being trafficked are routed through such premises and that we have evidence that a number of HMOs have, or are, being used as brothels. Currently 5 are considered to be in active use as such.

**3.5** Breckland Council carried out a district wide survey in to attempt to ascertain the numbers, and locations, of HMOs with particular reference to those housing migrant workers. This forms the basis of our current knowledge. It is clear that there is significant fluidity in both location and numbers.

**3.6** New HMOs often come to light as a result of complaints from neighbours arising from nuisances caused by accommodation of numbers of people in excess of the designed number, arrivals and departures at unsocial hours, culture clash issues and direct complaints from occupiers.

**3.7** Current response to poor conditions in HMOs consists of:

- Response to complaints within 5 days
- Full inspection to assess compliance with HHSRS
- Enforcement to HHSRS compliance standards
- Consultation, and when appropriate inspection, with Norfolk Fire and Rescue Service
- Consultation and liaison with Norfolk Constabulary
- Liaison with Gangmaster Licencing Authority
- Liaison and joint enforcement with Immigration Service
- Liaison with Planning, Homlessness, Housing Advice and Community Safety departments within Breckland Council
- Financial assistance via loans to owners of HMOs to improve conditions
- Landlord newsletter
- Landlord forum
- Landlord accreditation scheme ( in development )
- Advice to landlords and managers

**3.8 ( Add detail of final consultation with Police and ASB here )**

**3.9** Breckland Council's Private Sector Housing Team, ( PSHT ), is small, ( 8 members ( 1 manager, 1 administrative assistant and, currently 5.5 fte field officers ) ), with wide ranging responsibilities. Responsive work puts such pressure on the team that it is proving difficult to prioritise it's work on HMOs.

#### **4.0 Benefits of an additional licencing scheme**

**4.1** Having regard to the size of the Council's area and the location and variety of buildings used as HMOs it is considered that the following benefits will accrue from the introduction of a district wide additional licencing scheme.

- Early knowledge of setting up of an HMO
- Information regarding manager and owner as a fit and proper person
- Information regarding management of the HMO

It is considered that the ability to challenge the setting up and management of the HMO is an important aspect of the licencing regime.

Many buildings used in the past have been unsuitable due to layout and amenity provision. Initially the Council will use the licence application to inspect the building for suitability and, if falling below the required standard, will assess if it can be brought up to standard. The applicant will be advised as to what works are required.

Information supplied by the applicant will be used to determine whether, both the owner and manager, are fit and proper persons. This will help to combat the problems we have encountered as to poor management by persons not being competent and or deliberately setting out to circumvent legislative requirements. We also anticipate using the licencing provisions to help prevent those with criminal intentions from exploiting migrant workers.

- Charge for provision of licence
- Improved administration and data collection

The Council will use the income arising from the licence fee to fund a whole time administrative post for one year. This post will be dedicated to processing the licence applications in a timely manner and will ensure a quick turnaround and decision on each of the applications. In addition the post will enable the collection essential data relating to HMOs and the proper administration of that data in ensuring that all HMO records are up to date and maintained. This will ensure that returns required by CLG are accurate.

- Rapid intervention in failing or unlicensed HMOs
- Improved health safety and welfare of HMO residents
- Reduction in anti-social behaviour and nuisance to neighbours

With a scheme covering the whole of the district and all types of HMOs it will be possible to intervene in circumstances where a licencable HMO is not licenced and where there appears to be no prospect of it so being licenced, or where a licence has had to be revoked or where the Health and Safety condition is satisfied and it is necessary to protect the health safety and welfare of occupiers of the HMO or neighbouring premises. The use of Interim and Final Management Orders, as a duty, will expedite such intervention.

The automatic application of the conditions and standards of the licence should ensure that conditions within any HMO will be improved quicker than by resolution following an inspection. The inspection process itself will also be speeded up which will allow more efficient use of our limited resources.

The threat of the use of Rent Repayment Orders will also be a powerful incentive to landlords to ensure HMOs are properly licenced and maintained. Where this fails the use of such orders will ensure that public monies are recovered.

Proper management and control of HMOs will help reduce the incidence of anti-social behaviour that has been associated with such properties. (**Insert evidence here from Police and ASB**).

Proper and effective management of HMOs will reduce one of the main aspects of complaint, namely the poor physical appearance of HMOs and their curtilages. Often rubbish and extraneous matter is allowed to accumulate in full view of neighbours. This can be exacerbated by the failure of residents to understand, and comply with, rules governing the collection of rubbish and recyclables leading to missed collections and accumulations. Further officer time is then often required to bring about a resolution.

- Maintenance of a healthy private rented sector
- Improved choice of quality accommodation
- Reduction in the incidence of homelessness

A healthy and buoyant private rented sector is seen as a positive benefit for the Breckland area. HMOs themselves actually supply just under 1% of all the housing stock of Breckland, whereas the private rented, non-RSL, stock is 6.1% of the total stock. It is therefore a relatively high percentage of all private rented accommodation.

Ensuring that this level of provision is maintained is important because HMOs are the main form of accommodation for migrant workers when they first arrive in Breckland and are likely to remain so for the first two years of their residence.

One of the main functions of licencing is to improve, and maintain, the quality of accommodation for some of the most vulnerable residents in the district. There will be an important link to landlord's accreditation which will be encouraged by reducing the licence fee to accredited landlords. It is hoped that this will both encourage landlords to achieve accredited status and to achieve a critical mass of HMO landlords to ensure a uniform upgrading of HMO conditions across the district.

Breckland Council has Regional Champion status for Homelessness ( 2007/08 ). Primarily this was in response to it's work on homeless prevention. Maintaining a quality HMO base is seen as very much a part of reducing the incidence of homelessness by ensuring that there is an appropriate mix of accommodation, particularly for young single people, and by ensuring that that accommodation is properly managed. Informing and supporting landlords to undertake their duties in relation to renting is seen as a very positive approach to eliminating rogue landlords and exploitation and illegal eviction of tenants. This is designed to help reduce the numbers of people presenting themselves as homeless and putting a strain on Breckland's homeless and housing advice service. This is particularly so in the case of migrant workers where there is the additional element of poor understanding of English which can mean significant resource implications in use of translation services.

- Visible commitment to improving conditions
- Political support
- Strategic impact

The adoption of an additional licencing scheme will send a clear message that the Council is determined to improve housing conditions for some of it's most vulnerable residents and to mitigate the detrimental effect that large numbers of HMOs can have on an area. It signals the Council is determined to use all available duties and powers

to improve, and maintain, the private rented sector whilst assisting landlords to run an efficient, and profitable, business.

Breckland Council is already recognised for its positive attitude towards helping the migrant worker communities and the support it gives to organisations that work with migrant workers. The work to improve their living conditions and to reduce exploitation is seen as an extension of that ethos.

There has always been overt political support for the work that officers and teams have done in relation to migrant workers and the agreement to apply for an additional licencing scheme is an extension of that. It also states clearly, and publicly, that support.

An additional licencing scheme will form part of the Council's overall private sector strategy. Part of the aim of the strategy is to ensure a regulated, improved and maintained private rented sector.

## **5.0 Conclusion**

- 5.1** The wide geographical spread of Breckland Council coupled with the range of properties used for multiple occupation means that it is difficult to predict where these might occur.
- 5.2** Much officer time is expended in simply tracking down ownership of HMOs and ensuring appropriate levels of management.
- 5.3** HMO licencing will enable much greater control over the setting up and management of HMOs to reduce their overall impact and to improve the health, safety and welfare of residents.
- 5.4** The Council is convinced that an additional licencing scheme will form an integral part of its overall strategy for regulating, improving and maintaining the private rented sector.