

# Combating Crime and ASB in privately rented housing.



In 2011, Local Councillors, in the London Borough of Newham began to report increasing levels of anti-social behaviour (ASB) in the area. In addition they noticed a general rise in complaints from residents about environmental crime in local neighbourhoods.

The types of anti-social behaviour reported ranged from excessive noise and rubbish in gardens, to reports of large numbers of people living in small family houses, sheds with beds, brothels and drug dealing. Enforcement powers had little impact on this growing problem; the council recognised they needed a new approach to address the source of the problems rather than treating the symptoms.

The main commonality seemed to be the high proportion of rented properties associated with these complaints, and the lack of responsibility some landlords showed in keeping their properties (and tenants) in good order.

Research indicated that the level of private renting in the borough had doubled in size over the past 10 years. Analysis of the research also found a correlation between the private rented sector and significantly higher levels of crime and anti-social behaviour, as compared to other tenures.

On the basis of this research, in January 2013, the London Borough of Newham introduced a borough-wide private rented property licensing scheme.

Licensing powers enhance existing enforcement powers as it identifies a responsible person, gives clear conditions and responsibilities which must be adhered to and provides a straight forward legal offence i.e. operating without a licence.

Our estimate of the private rented sector showed that landlords of 75% of these rented properties, applied for a licence within the first six months of the designation. The challenge was to identify the remaining unlicensed properties and gather sufficient evidence, by visiting, to enable criminal prosecution of the landlord, using resources in the most efficient way.

This was achieved by making use of an advanced data warehouse held by the council and regression analysis, which enabled the identification of these properties with 95% accuracy.

Regular morning multi agency operations were essential in collecting evidence and helping to disrupt disorder at the properties. The agencies included in these operations were the council's Environmental Health Practitioner (EHP), the Police, Planning Enforcement, United Kingdom Border Agency (UKBA) and Her Majesties Revenue and Customs (HMRC). Police presence was essential as they enabled the property to be entered and secured as a crime scene; whilst evidence was gathered by EHP's to build their case against the landlord for renting without a licence.

Licensing has proved to be a scalable and effective tool in dealing with criminal landlords as well as additional benefits at a borough wide level.

### **Situation/Scanning**

Concerns about the high level of anti-social behaviour (ASB) and growing dissatisfaction of residents were brought to the attention of council officers and the police by the Mayor and some ward councillors. It indicated that the growing private rented sector was having a negative impact on the lives of Newham residents, especially due to overcrowded properties, excessive rubbish and the high turnover of tenants. A considerable enforcement investment had been made however, it only seemed to be tackling the symptoms of the problem rather than the source.

The main people affected were identified as local residents and tenants. The properties which had been identified through reactive work and causing high levels of ASB showed on investigation a significant rented sector which was seen to be operating on a 'cash no questions' basis. This group of tenants were often vulnerable in respect to not having recourse to public funds, sometimes illegal immigrants and often families with young children on very low incomes. In effect a large group of people being exploited by criminal landlords who knowingly overcrowded properties to maximise the rent collected. Examples had been finding people sleeping in a redundant commercial freezer, coal cellars, kitchens, corridors; sharing rooms with people previously unknown to them e.g. bunk beds and makeshift curtains strung across rooms in an attempt to gain some privacy. Whole families with young children sharing one room and sharing bathrooms and kitchen facilities with large numbers of other unrelated families. These tenants were being charged per room or per head enabling the landlord to sometimes triple takings from what a property would be rented for its appropriate use as a single family dwelling. Rents were often paid in cash with no receipts provided and no adherence to the safety of the tenants e.g. no fire precautions, safety certificates for gas boilers etc. Some photos of these properties are attached.

Perception data at the time supported these councillors concerns. Newham's Liveability Survey (2011) found that thirty percent of respondents considered crime and anti-social behaviour to be one of their top three concerns. It also found that around half of respondents considered people throwing litter on the streets and fly-tipping to be one of their top three ASB concerns. A substantial 85% of respondents thought that Newham needed to improve its physical appearance.

The private rented sector (PRS) is expanding, not through any significant increase in supply but by replacing owner occupation (down from 29% in 2001 to

19% in 2009). A GLA study (2011) showed Newham has a higher proportion of private rented housing than any other London borough.

Research was carried out to determine if there was some causality. When ASB interventions data recorded by the council and the Police was cross-matched against tenure, it was found that 12.7% of known private rented properties (PRS) in the borough had experienced one or more incidence of ASB. This rose to 35.6% for Houses of Multiple Occupation (HMOs). The incidents were also distributed across all areas/wards and not just focussed in particular areas. The levels of ASB were lower in the owner occupied and social rented tenures.

In 2012, Newham had the third highest level of Metropolitan Police recorded ASB in London, after only Westminster and Tower Hamlets, both of which have much larger entertainment, visitor and night time economies than Newham.

In 2012, Newham had the second highest level of fly-tips (such as tyres, household appliances, vehicle parts and other dumped waste) in England, after only Sheffield City Council, which covers a much larger population.

In a six month period, between October 2011 and March 2012, Newham issued 1,925 notices requiring action to remove waste in front gardens (such as mattresses, building debris, and old furniture). According to figures from the East London Waste Authority for 2011/12, Newham cleared around four to five times more tonnage of litter and detritus dumped in the streets than other East London authorities.

In March 2010, the council ran a pilot property licensing scheme in a small area with a substantial proportion of rental properties, this was completed in February 2015. Joint working between the council and the Police showed that licensing contributed towards reducing ASB in that area by 75%. Although numbers are small, this pilot scheme gave a good indication of the impact that the scheme could have, if upscaled.

The main objectives for introducing the licensing scheme are;

- to reduce crime and ASB
- to identify, prosecute and drive out criminal landlords
- to achieve 100% licensing
- to raise accommodation standards in the private rented sector
- to improve residents satisfaction with the local area

The key to delivering the scheme is effective targeted multi agency enforcement of licensing.

Work with HMRC also indicates that this sector has a disproportionately high undeclared income and are also likely to have very high council tax debts. Certainly the success we have had in increasing collection of council tax in this sector, shown below, has upheld this indication..

## Analysis

The launch of Newham's borough-wide private rented property licensing scheme in January 2013 highlighted the need to accurately identify unlicensed rented properties. This was required to ensure that scarce resources were carefully targeted at the correct properties i.e. every operational visit needed to be to an unlicensed rented property. After some early attempts using crude data matching techniques proved unreliable, a Professor of Statistics was commissioned to systematically review 367 'known' property tenures to identify key 'risk factors' with the strongest predictive powers.

This work resulted in the creation of three sets of risk factors, one for single family (rented), house in multiple occupation (HMO) (rented) and owner occupied. These were binarised for transparency and convenience (i.e. a risk factor was either present at an address or not). For each risk factor the odds were calculated using multiple logistic regression techniques. A database was then created and each address (UPRN) was then given a risk score based on the risk factors identified in the previous analysis linked to odds. Further development work has continued in-house based on the original academic work and new risk factors have been identified and made live so changes can be tracked over time.

This Tenure information Model (TIMs) is more than a database with a risk score, it also includes 150+ relevant columns of data for every residential property in the borough. Some of the other risk factors do not contribute to the predictive scores as to tenure, although they do shed light on wider trends and allow well thought through interventions.

Development of a reliable Tenure Information Model (TIMS) - Identifying the tenure and ownership of private residential property has always been a challenge for practitioners that intervene in this sector. It has also been the ambition of policy makers to have a clear understanding of the tenure make up of the housing stock and how it relates to other factors.

Human quality checks in combination with the TIMs have allowed the council's Private Housing Service to separate private rented properties from owner occupied properties with 95% accuracy.

The proactive multi agency enforcement work carried out on a weekly basis is completely dependent on TIMs. It has been central to the identification of more than 7,000 unlicensed properties and is now being used to identify significant numbers of illegal Houses in multiple occupation (HMOs).. TIMS data has been used to generate 75% (17,000) of the warning letters sent to landlords of unlicensed properties over the last two years. It has also been central to minimising the impact of licensing operations on tenures that should not be affected, such as owner occupiers. At a strategic level TIMs has provided vital insight into landlord behaviour and a transparency into a murky sector never

seen before. It has given credence to long held opinions by residents and members on issues such as large scale Council Tax fraud in HMOs. It also offers evidence around the growth of the private rented sector and intelligence on right to buy properties etc.

The council as a whole (subject to viewing permissions) and the Police have been given access to the TIMs. A wide range of services are able to access tenure and other data relating to properties in real time.

Due to the lack of supply of Housing and high rents in London, the pressure on accommodation and the temptation for landlords to maximise their profits by overcrowding properties and charging on a per room basis means that this problem is going to be present for the foreseeable future. By introducing licensing, having a way of identifying where this criminal activity is taking place and co-ordinating a robust multi agency response means that the authorities can successfully disrupt this business model.

## **Response**

Experience of the private rented sector has shown that the worst criminal landlords operate under the radar; renting out a house per room, often using all space such as kitchens, cellars and corridors as sleeping accommodation. Tenants in these properties are vulnerable, often illegal immigrants, and extremely unlikely to contact the authorities for assistance. The key was to locate these properties and collect evidence against the landlord. This has always been a challenge for EHP's, as without the Police, tenants would often not allow access, not provide their names nor information about who is collecting the rent, all of which is vital evidence in being able to hold a landlord to account. The solution was to identify these properties through TIMS and proactively set up multi agency operations to visit these properties when they are most likely to be occupied i.e. early in the morning.

In just over two years, 230 multi agency operations, involving the Police, EHPs and UKBA have been carried out. Other services, such as Planning Enforcement and Housing Benefit fraud will also attend, if intelligence shows the need for them to be involved.

The cost of the Police involvement in these operations is £880 per operation, this is funded by the council's Private Housing Team and now, as the enforcement has shifted away from identifying unlicensed properties to visiting problematic HMO's, all costs are covered by the licensing fee.

The cost of the council's enforcement team is £1.65M p.a. By combining all the operational costs outputs as a result of the operations over 2 years; arrests (502), housing prosecutions (518), simple cautions for housing crimes (270), it can be calculated that each output costs £2558.

If we enforce against a landlord, they will only then be given a licence for one year, as opposed to a five year full length licence. This means that landlords with poor practice will have to pay more for operating their business.. The model is designed to make it more expensive for a landlord not to comply, rather than to start operating their business properly. The aim being long term behaviour change and improved business practices in the sector.

Enforcement action around licensing also enables us to ban landlords from operating within the borough. They have to nominate a professional managing agent to manage their properties in Newham for them. Landlords have been banned as a result of fraud and drug convictions, and illegal eviction of tenants. Some criminal landlords have sold their properties in Newham because of the increased scrutiny of their business practices.

Whilst the council has a licensing scheme in operation, the cost of enforcement can be met from the licensing fee and fines from non-compliant landlords, rather than the public purse, making this sustainable model for the long term. Whilst licensing focuses on landlords, the additional benefit is the large number of arrests police and UKBA manage to obtain because of the high level of criminality present in this sector and illegal immigration offences.

While licensing focuses on landlords, the police benefit from having access to properties associated with high levels of criminality resulting in the apprehension of known criminals. Typically these type of landlords will also take advantage of the most vulnerable of tenants, some of whom may be in the country illegally. See attached HMO arrest figures

## **Assessment**

The main objectives for introducing the licensing scheme are;

- to reduce crime and ASB
- to identify, prosecute and drive out criminal landlords
- to achieve 100% licensing
- to raise accommodation standards in the private rented sector
- to improve residents satisfaction with the local area

Through the introduction of licensing, the Councils private housing team, the Police and UKBA have developed a robust integrated front line approach to delivering effective enforcement in the private rented sector. Each partner has benefitted in delivering their own targets by joining in this focussed enforcement.

There has been a demonstrable reduction in crime since the introduction of licensing in January 2013, is period; 20% reduction in MOPAC 7 crimes (3481 crimes), 502 arrests made, 18 gang injunctions (more than the entire Met combined during the same period of time), 3 CT interventions.

According to 2011 census figures, 100% of rented properties in the borough had applied for a licence by March 2015.

Work with HMRC also indicates that the PRS has a disproportionately high level of undeclared income. As well as inviting them to participate in some of the operations, the council were also able to provide contact details of all property licence holders in Newham for them to trial their 'Let Property' campaign. As a result of this trial, visits to their website giving information on how to pay the correct tax on rental income, increased to 461 from an 6 visits in a 2 week period. The data sets and techniques we use to target enforcement (TIMS) are continually being improved for accuracy. When we started, the data was 90% accurate in identifying tenure of a property, this has now improved to 95% accuracy. This enables operations to target very specific properties, providing outputs for all partners and reducing the number of wasted visits.

This data has managed to identify over 7,000 unlicensed properties and unlawful HMOs. Not all have required a visit, as once detected, the owners are contacted and requested to license. If the landlord doesn't license, a visit is programmed in.

There has been a 20% reduction in the number of ASB notices served by Newham Council on licensed properties from a 2013 baseline.

Operations are carried out by area twice a week between 0700-1100hrs as this is the prime time to evidence the property as it is truly used. There has been more than 220 operations of this type since the project started. The best way to provide the maximum return is to double up, so we have two teams operating at once, doubling the number of visits as well as providing nearby back up if a large amount of offences are found at one property e.g. these visits recently uncovered a cannabis factory. See attached photograph for every 3.76 properties visited there is an arrest.

From February 13 to April 15

- 1,889 properties inspected
- 502 arrests by Newham Police (424 of which were for immigration offences)
- 518 criminal prosecutions by the councils EHP's for housing offences and failure to licence
- 25 landlords banned (found not to be fit and proper to hold a property licence)

Additional benefits of the multi agency operations include

- the identification and collection of £429,000 extra Council Tax which landlords were fraudulently avoiding by trying to shift liability onto tenants.

- 82 rent repayment orders (reclaiming Housing Benefit paid as rent to landlords with unlicensed properties) have also been progressed which are valued at £486,000

For comparison, Newham have achieved more housing and failure to licence prosecutions than all other London Boroughs put together.

<http://www.londonpropertylicensing.co.uk/crackdown-rogue-landlords-leads-580-housing-prosecutions-london>. This article written in May 2015 reported London wide prosecutions as 580, Newham was reported as having carried out 359 of these, Newham's total has now risen to 518.

The council intend to apply for another licensing designation scheme to run concurrently on from the current scheme.

#### Principle partners and there Operational Leads

Nick Bracken (Head community safety and Law enforcement London Borough of Newham)

Al Thomas (Manager Law enforcement London Borough of Newham)

Russel Moffat (Manager Private sector housing London Borough of Newham)

Inspector Phillip Stinger (Metropolitan Police)

Sergeant Andrew Montague (Metropolitan Police)

John Bernthal (Home office immigration enforcement)

Rhiannon Bannister (Home office immigration enforcement)

#### Submission by

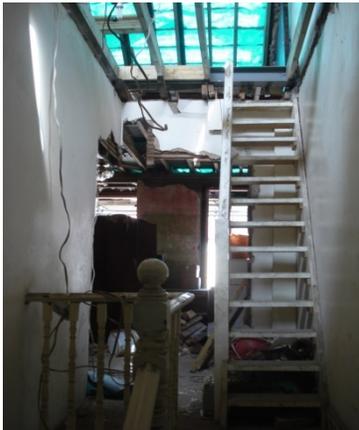
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Some photographs showing conditions of properties found during operations

Use of coal cellar



Use of building site by 11 tenants



2 tenants were renting a commercial walk in freezer in a basement



Photo showing bedroom full of mattresses and make shift privacy curtain



Dumped rubbish and furniture commonly associated with PRS out of control



Recent visit by Tessa Jowell to an early morning multi agency operation

