

# **Policy for Housing Standards Regulation including Houses in Multiple Occupation.**



<b>Content</b>	<b>Page</b>
Introduction	3
The Wider Picture	4
General Obligations	4
HMO Licensing	8
Licensing exemptions, non-licensable HMOs and offences	12
Housing Health and Safety Rating System and Enforcement Regime	13
Enforcement Policies	14
Policy 1 - Fair and Consistent Enforcement	14
Policy 2- Housing and Planning Act 2016	16
Policy 3 - Smoke and Carbon Monoxide (England) Regulations 2015	23
Policy 4 - Owner Occupied Dwellings	27
Policy 5 - Empty Homes	27
Policy 6 - Partnership Working	27
HMO Licensing Policies	28
Policy 3 - Encouraging Applications	28
Policy 4 - Fees for Licences	29
Policy 5 - Rent Repayment Orders	29
Policy 6 - HMO Standards	30
Policy 7 - Management Arrangements	31
Policy 8 - Discretionary Licence Conditions	32
Policy 9 - Temporary Exemption Notices	33
Policy 10 - Interim and Final Management Orders	33
Policy 11 - Discretionary HMO Licensing	34
Policy 12 - Bed and Breakfast Hotels	34
Health and Safety Rating System Policies	35
Policy 13 - Category 2 Hazards	35
Policy 14 - Improvement Notices	35
Policy 15 - Charges for Enforcement	36
Policy 16 - Banning Orders	
Appeals	36

Complaints	37
Policy Revision	37
Appendices	38

## 1. Introduction

The Housing Act 2004 (**‘the Act’**) outlines the way the Council regulates standards in private rented housing. The Act replaced the Housing Act 1985 fitness standard with a system of assessing the hazards affecting occupiers. It also introduced mandatory licensing of certain houses in multiple occupation (“HMOs”). These changes came into force on 6th April 2006, with the extension of mandatory licensing coming into force from 1<sup>st</sup> October 2018

The Council aims to ensure that private rented sector accommodation meets a minimum decent standard to protect the health and safety of tenants. The availability of HMO lettings is important in order to sustain affordable housing.

This policy sets out the way Reading implements the requirements of the Housing Act 2004 in relation to HMO licensing and health and safety hazards. It also outlines how the Council intends to use the discretionary powers in the Act to ensure fair and equitable enforcement.

## 2. The Wider Picture

This policy is written in the context of the Council’s Corporate Objectives including:

- Ensuring access to decent housing to meet local needs
- To enhance the lives of vulnerable adults and children
- To keep Reading’s environment clean, green and safe

According to the 2012 House Condition Survey 28.5% of households live in the Private Rented Sector with 10% of the properties being classified as HMOs.

The 2012 House Conditions Survey showed that private sector house conditions have improved since the previous survey in 2006 with a reduction in non-decent homes from 20,500 to 12,200 dwellings with 10% presenting a Category 1 hazard. Housing conditions are poorer in the private rented sector than that in any other type of tenure in the borough. The Council will continue to implement measures to ensure homes are decent and enforcement of the Housing Act 2004 will support this.

## **General Obligations**

The Housing Act 2004 imposes certain general obligations on the Council, including:

- Duty to arrange for inspections to be carried out to determine whether any hazards exist in dwellings and their severity;
- To take appropriate enforcement action to protect residents from serious hazards; and
- To implement an HMO licensing regime and to process applications for HMO licensing.

## **Housing enforcement legislation**

### *Housing Act 2004*

Part 1 of the Act describes the actions the Council must take in relation to reports of hazards in residential properties. These actions include:

- carrying out assessments using the Housing Health and Safety Rating System (“HHSRS”) to determine whether any category 1 or category 2 hazards exist;
- Taking the appropriate enforcement action to protect residents from harm.

Under Part 1 of the Act, the Council’s enforcement options include:

- Serving an improvement notice requiring remedial action to be carried out within a certain time;
- Making a prohibition order that places restrictions on the use of a residential premises; and
- Serving a hazard awareness notice that, while not requiring remedial action to be carried, formally brings the existence of the hazard to the attention of the responsible person.

In cases where there is a category 1 hazard and an imminent risk of serious harm exists, the Council also has the following options available:

- To carry out emergency remedial action to deal with the hazard. The costs of the work are recoverable from the responsible person; and
- To make an emergency prohibition order that places immediate restrictions on the use of a residential premise.

Mandatory HMO Licensing is detailed in Part 2 of the Act and places an obligation on all local authorities to set up a scheme to licence those HMOs that fall within the scope of mandatory licensing.

#### *Housing Act 1985 (as amended)*

Where category 1 hazards exist, the Housing Act 1985 may be used to declare clearance areas or to make demolition orders.

#### *Local Government (Miscellaneous Provisions) Act 1976*

This act enables the service of a requisition for information notice that requires the recipient to disclose their interest in a particular property and that of any other person who they believe may have an interest.

### *Prevention of Damage by Pests Act 1949*

This act enables the service of notices to deal with infestations of rats or mice. It also allows the service of notices to enforce the removal of articles (such as food) or harborage that may encourage rat or mouse activity.

### *Public Health Act 1961*

Sections 16 to 18 of this act give the Council powers to deal with blocked drains in an emergency.

### *Public Health Act 1936*

The Council has several powers and duties under this act:

- Section 45 - provides for the service of a notice to repair and/or cleanse a defective water closet that is in such condition as to be prejudicial to health or a nuisance.
- Section 50 - provides the Council with a power to deal with overflowing/leaking cesspools.
- Section 83 - places duties on the Council to deal with premises that are filthy, unwholesome and/or verminous.

### *Building Act 1984*

The Council has several powers and duties under this act:

- Section 59 - provides powers to deal with defective drainage including gutters and down pipes.
- Section 64 - provides a duty to serve a notice requiring the provision of water closets in a dwelling where insufficient facilities exist and
- Section 63 covers water closets, drains and soil pipes improperly constructed or repaired and in such a state as to be prejudicial to health or a nuisance.

- Section 76 - affords a quicker response to dealing with premises that are prejudicial to health or a nuisance than is afforded through the use of Section 80 of the Environmental Protection Act 1990.
- Section 79 - covers ruinous or dilapidated buildings and neglected sites.

### *Environmental Protection Act 1990*

Part 3 allows the Council to take enforcement action in relation to premises that are in such condition as to be prejudicial to health.

### *Housing and Planning Act 2016*

Section 126 and Schedule 9 allow financial penalties to be imposed as an alternative to prosecutions. Schedule 9 amends the Housing Act 2004 and details the specified offences for which financial penalties can be imposed, as follows:

- Failure to comply with an improvement notice (section 30).
- Failure to licence or be licensed in respect of houses in multiple occupation (section 72).
- Failure to comply with licensing under Part 3 of the Act (section 95) - this relates to selective licensing.
- Failure to comply with an overcrowding notice (section 139).
- Failure to comply with Management Regulations in respect of a House in Multiple Occupation (section 234).

### *Management of Houses in Multiple Occupation (England) Regulations 2006 (“the HMO Management Regulations”)*

An HMO is a building occupied by more than two persons forming more than one household and includes houses containing bedsits, hostels and shared houses. The Housing Act 2004 generally defines households as families, including single persons and cohabiting couples. This has clarified past confusion and means that shared

houses will always be HMOs. Reading has over 3,500 HMOs of which around 1,200 are currently licensed.

The HMO Management Regulations require any person managing an HMO to undertake works and to put in place procedures to ensure the HMO remains a safe and healthy environment for residents.

There is a corresponding set of regulations for buildings known as section 257 HMOs, which are the Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007.

#### *Smoke and Carbon Monoxide Alarms (England) Regulations 2015*

These Regulations impose duties on landlords of residential properties in England to ensure properties have smoke and carbon monoxide alarms fitted. Failure to fit these will result in the Council issuing a Penalty Charge of up to a maximum of £5,000.

#### *HMO Licensing*

The aim of HMO licensing is to ensure the poorest and highest risk properties in the private rental market meet the legal standards and are properly managed.

HMOs currently covered by mandatory licensing are those where there are five or more occupiers forming two or more households. Social housing and HMOs owned by the police, health authorities, universities and some other listed organisations are exempt. The Council may grant a licence where it is satisfied:

- the house is reasonably suitable for occupation as an HMO.
- the management arrangements are satisfactory.
- the proposed licence holder and manager are fit and proper persons.
- the proposed licence holder is the most appropriate person to hold the licence.



A member of the Private Sector Housing Team will visit before licensing an HMO, to assess compliance with the licensing requirements and the number of people the HMO should be licensed for.

The Council is required to assess whether the proposed licence holder, any proposed manager and any person associated with them or formerly associated with them are fit and proper people to hold a licence or manage an HMO. In reaching its decision the Council must have regard, amongst other things, to evidence showing that the person:

- has no unspent convictions relating to offences involving fraud, dishonesty, violence or drugs, or sexual offences
- has no unspent convictions relating to unlawful discrimination on grounds of sex, race, or disability
- has no unspent convictions relating to housing or landlord and tenant law
- has no unspent convictions for breaches of planning, compulsory purchase, environmental protection or other legislation enforced by local authorities
- has not been refused a HMO licence, been convicted of breaching the conditions of a licence or have acted otherwise than in accordance with the approved code of practice under S197 of the act within the last five years
- has not been in control of a property subject to an Interim Management Order (“IMO”) or Final Management Order (“FMO”) or had work in default carried out by a local authority.

Each application will be judged on its own merits, and proposed licence holders will be given the opportunity to make a self-declaration of fitness. Where consultation or previous history indicates that this self-declaration is insufficient, further investigation may be required.

Licences will be valid for five years in most cases and will specify the maximum number of occupiers or households. The occupancy number will depend on the number and size of rooms and the kitchen and bathroom facilities. Officers aim to issue draft licences within 12 weeks of a full application. However, during periods

where there are high numbers of applications received, processing of licence applications will take longer.

The following mandatory conditions must be applied to all licences:

- to provide copies of gas safety certificates annually where gas appliances are present.
- to keep electrical appliances and furniture safe.
- to keep smoke alarms in working order.
- to provide tenants with a written tenancy agreement.

The Council also has discretion to impose other conditions (see under Policy 8 below). A draft licence must be served on all relevant persons, allowing at least fourteen days for representations before granting the actual licence.

The licence holder must deal with all Category 1 hazards within the time frame specified by the Council. If they do not, then the Council is expected to use their enforcement powers to improve the property.

The Council may serve a Temporary Exemption Notice (“TEN”) where a landlord is, or shortly will be, taking steps to make an HMO non-licensable. A TEN can only be granted for a maximum period of three months. A second three-month TEN can be served in exceptional circumstances. Where a licensable HMO is not licensed, the landlord cannot evict an occupier under section 21 of the Housing Act 1988 until the HMO is licensed, unless a TEN is in force.

Appeals against licensing decisions can be brought to the First-tier Tribunal - Property Chamber (Residential Property), including refusals to grant a licence, licence conditions that have been imposed and the maximum number of permitted occupiers. Where a landlord fails to licence an HMO or breaches any of the conditions without reasonable excuse, they will commit a criminal offence.

Where there is no prospect of an HMO being licensed, the Act requires that the Council use its interim management powers. This enables the Council to take over the management of an HMO and become responsible for running the property and collecting rent for up to a year. In extreme cases this can be extended to five years, with the Council also having the power to grant tenancies. The Council will put into place a mechanism to ensure the most appropriate management of such properties.

If the Council finds that there has been a change of circumstances in an HMO since it was licensed, it has the power to vary the licence. If there is a serious breach or there are repeated breaches of the licence conditions or the licence holder or managers are no longer deemed to be fit and proper persons, the licence can be revoked and the licence holder may be liable for prosecution. The licence can also be revoked if the property is no longer a licensable HMO or if the condition of the property means it would not be licensable were an application to be made at a later time.

The Council has the power to set up additional local area HMO licensing schemes, to enable those HMOs considered to be poorly managed to be licensed.

Many HMOs in Reading will not be licensable under the mandatory scheme. These include certain houses containing self-contained flats and smaller HMOs. These HMOs are regulated by the Management of Houses in Multiple Occupation (England) Regulations 2006 and the Licensing and Management of Houses in Multiple Occupation (Additional Provisions) (England) Regulations 2007. They will need to be free of category 1 hazards, which applies to all dwellings irrespective of whether they are an HMO.

### *Licensing exemptions*

The Act and the regulations made under it exclude certain types of buildings as HMOs for all purposes except enforcement under Part 1. The following types of buildings will at present not need to be licensed:

- those managed or owned by a public body such as the police, the NHS, the Council or an RSL.
- where the residential accommodation is ancillary to the main use of the building e.g. religious establishments etc.
- those entirely occupied by freeholders or long leaseholders and their households.
- those occupied by no more than two households each of which comprise of a single person.
- those owned or managed by educational establishments and occupied principally by full time students, e.g. halls of residence.
- those regulated elsewhere e.g. care homes, bail hostels, etc.
- those that are owner-occupied and have no more than two lodgers residing within them.

### **Housing Health and Safety Rating System and Enforcement Regime**

The Housing Health and Safety Rating System (“HHSRS”) is the method prescribed for determining whether a hazard exists in residential properties.

The HHSRS involves the assessment of 29 potential hazards (see appendix A) and scoring of their severity to decide whether improvements are needed. If more serious hazards (known as category 1 hazards) are found, the Council has a duty to take the most appropriate form of enforcement action. If less serious hazards (known as category 2 hazards) are found, the Council has a discretionary power to require action. Where a fire hazard is identified in an HMO or the common parts of buildings containing flats, the Council will consult the Royal Berkshire Fire and Rescue Service on works required before taking enforcement action.

An improvement notice will normally be the most appropriate remedy for most hazards; repair or renewal is generally cost-effective because of the high value of property in Reading. A Prohibition Order, however, may sometimes be required on part of or all of a dwelling, for example where there is inadequate natural lighting or there is no fire escape from the top floor. In certain circumstances, the Council may

HMO/policy/10/v2.7 (January 2020)

serve suspended notices, which may come into action at a future time or be triggered when a set of specified circumstances arises.

In some circumstances where an imminent risk of serious harm to occupiers exists, it is not appropriate to serve an improvement notice or to make a prohibition order, as these take at least four weeks to come into force. In such circumstances, the Council will consider undertaking emergency remedial action or, in extreme cases, making an emergency prohibition order to immediately place restrictions on the occupancy of the premises in question.

Section 9 of the Act provides for guidance to be given to local authorities on the exercising of their powers of inspection, assessment and enforcement. The Council will have regard to any statutory guidance issued under this section.

### **Enforcement Policies**

The information in the following pages sets out the enforcement policies the Council's Private Sector Housing team will apply.

## Policy 1 - Fair and Consistent Enforcement

This enforcement policy helps to promote an efficient and effective approach to regulatory inspection and enforcement and aims to improve regulatory outcomes without imposing unnecessary burdens. This is in accordance with the Regulator's Compliance Code. In certain instances, we may conclude that a provision in the Code is either not relevant or is outweighed by another provision. We will ensure that a decision to depart from the Code will be properly reasoned, based on material evidence and documented. The current corporate enforcement policy is available at:

<http://www.reading.gov.uk/Documents/consultation/Corporateenforcementpolicy200206.pdf>

The Council believes that enforcement alone is unlikely to have much effect on improving standards. However, where landlords do not co-operate, and there are inadequate safeguards for occupiers, enforcement action will be taken.

Investigations may be initiated upon:

- receipt of a service request by a customer;
- receipt of a referral from a partner agency;
- receipt of a complaint from a Justice of the Peace;
- a licence application;
- where an assessment of risk indicates a property is sub-standard.

Enforcement action may be taken:

- where there has been non-compliance with a statutory notice;
- where a contravention of the Act or Regulations has been identified;
- where the dwelling does not meet the Decent Home Standard and is occupied by a vulnerable person.

In the case of a service request from a tenant about conditions, the Council normally expects the tenant to have informed the landlord of the problem and allowed time for remedial action before contacting the service for assistance.

Before serving a notice, where the Council is able to make contact using reasonable effort, officers will discuss why they intend to take a particular course of action with the landlord and tenant.

In addition to carrying out the requirements of the Housing Act 2004, in private sector homes the Council has a duty to investigate complaints of statutory nuisance, defective sanitary appliances and drainage and other related matters, and serve notice where required. Officers also have the power to make a compulsory purchase order to acquire property for housing purposes. This action is only taken where all other means of bringing a property back to use have been explored and the financial implications are fully understood.

Where a landlord has not complied with a notice, the Council will either prosecute or consider issuing a civil penalty where this option is available. The Council may also choose to carry out the work in the owner's default, reclaiming the full costs associated with this. Formal court proceedings will normally be completed before works in default are performed, unless the Service Manager considers that there is an urgent need for the works to be carried out to protect the health and safety of the tenant.

The Council believes it is the responsibility of HMO managers to comply with the HMO management regulations. Where there has been a breach of the HMO management regulations, the Council will normally allow an opportunity for remedial action to be completed. In all cases, however, the Council will consider whether prosecution or the issuing of a civil penalty is proportionate, even in cases of first time offences.

## Policy 2 - Housing and Planning Act 2016 - Civil Penalties

The Housing Act 2004 was amended by the Housing and Planning Act 2016 to create a range of new powers and tools to support the enforcement of housing law. The options created include:

- The power to impose civil penalties up to a maximum of £30,000 for certain offences;
- The extension of Rent Repayment Orders (“RROs”) to cover a wider range of offences;
- The issuing of Banning Orders against the worst offenders; and
- The creation of a database of rogue landlords and agents.

### *Civil penalties*

A civil penalty can be imposed for some offences. These offences are:

- Failure to comply with an Improvement Notice (section 30);
- Failure to licence or be licensed in respect of HMOs (section 72);
- Failure to comply with licensing under Part 3 of the Act (section 95) - this relates to selective licensing which we do not operate in Reading;
- Failure to comply with an overcrowding notice (section 139);
- Failure to comply with Management Regulations in respect of a House in Multiple Occupation (section 234).

The power to issue a civil penalty is an alternative to prosecution; if a civil penalty is issued, the Council cannot initiate a prosecution for the same offences. The decision on whether to prosecute or issue a civil penalty will be decided on a case-by-case basis, but the general principle will be that prosecution will be reserved for cases where the maximum £30,000 penalty is considered to be insufficient to address the offending behaviour. When issuing a civil penalty, the Council is required to prove its case beyond all reasonable doubt, as is the case in criminal trials.



Where both an Agent and Landlord can be prosecuted for failing to obtain a licence for a licensable HMO or any other offence, then a civil penalty can be imposed on both as an alternative to prosecutions. The amount of the civil penalty may differ depending on the individual circumstances of the case.

Where a person has received two civil penalties under this legislation in any 12 month period, irrespective of the locality to which the offences were committed, the Council will consider making an entry on the national database of rogue landlords and property agents, when this becomes available for Local Authority use.

Through the use of civil penalties (and rent repayment orders), the Council will seek to prevent criminal landlords from profiting from poor and illegal practices. It will also demonstrate the Council's on-going commitment to ensuring it is these criminal landlords who pay for the cost of housing enforcement, rather than the many responsible landlords who provide housing in the borough. As the Council is allowed to retain the income received from civil penalties this will be reinvested into carrying out further enforcement work in order to continue improving the private rented sector.

### *Determining Civil Penalties*

Civil penalties issued by the Council will be made up of two parts:

- The punitive fine; and
- The investigative costs.

### *Punitive fine*

The Government has indicated through its statutory guidance that the following factors should be considered when determining a civil penalty:

- The severity of the offence;
- The culpability and track record of the offender;
- The harm caused to the tenant;
- The punishment of the offender;
- Whether it will deter the offender from repeating the offence;
- Whether it will deter others from committing the offence;
- Whether it will remove any financial benefit the offender may have obtained as a result of committing the offence.

To promote consistency of enforcement, the Council has determined starting points from which punitive fines will be determined. These are set out in the table below.

Type of Landlord	Offence category	Starting point		
		Major Impact	Medium impact	Low Impact
1 -2 properties	Deliberate	£5,000	£3,500	£2,000
	Negligent	£2,500	£1,750	£1,000
	Low culpability	£500	£400	£200
3-5 properties	Deliberate	£10,000	£5,000	£2,500
	Negligent	£5,000	£2,500	£1,250
	Low culpability	£500	£400	£200
6+ properties	Deliberate	£20,000	£16,000	£10,000
	Negligent	£10,000	£8,000	£5,000
	Low culpability	£500	£400	£200

### *Determining the punitive fine - culpability*

The first factor for determining the penalty to be levied is culpability of the offender. The Council has determined three levels of offending behaviour:

- **Deliberate** - this is where there has been an intentional breach by a landlord or other relevant person. For example, if a landlord knew they had an obligation to licence a property but the evidence shows they deliberately set out not to

licence, or, if a person managing an HMO makes clear they have no intention of complying with the management regulations.

- **Negligent** - this is where the offending behaviour is not considered deliberate, but where the offender has failed to comply with a duty about which they should have known or have failed to take reasonable care in ensuring hazards will not arise. Examples may include a professional landlord or property agent failing to licence an HMO or to comply with the HMO management regulations, but the evidence is not sufficient to show a deliberate failure to comply.
- **Low culpability** - The offence committed has some fault on the part of the landlord or property agent but there are other circumstances, for example damage caused by tenant negligence, or where a landlord has clearly been failed by a third party.

#### *Determining the punitive fine - impact*

The second factor for determining the penalty to be levied is the potential for the offending behaviour to cause harm. The Council has determined three levels of harm:

- **Major impact** - these are defects that pose a danger to life or could result in serious life-changing injuries (such as permanent paralysis or the loss of a limb). Examples include serious fire hazards, the possibility of exposure to carbon monoxide, risk of explosion or structural collapse and exposure to asbestos or radiation. If the powers set out for levying a civil penalty are considered inadequate, a prosecution will always be considered. These may also include failings of property management that could result in a major impact on neighbours or the local community.
- **Medium impact** - these are defects that have or may require an occupier to seek medical attention from an A & E department, a GP or a walk-in clinic. Examples include exposure to damp or mouldy conditions, risk of electric shock or a risk of a fall that could result in bone fractures. These may also include failings of property management that could result in a major impact on immediate neighbours.

- **Minor impact** - these are defects that pose little or no direct risk to occupiers. Examples may include defects to décor or cleanliness in an HMO. The Council will normally have allowed an opportunity for informal compliance prior to taking formal enforcement action, which will have been ignored. These may also include failings of property management that could result in a minor impact on occupiers.

*Determining the punitive fine - financial means*

This factor has been decided upon to help the Council meet its requirement to consider the financial means of the offender. Three levels have been set:

- **6+ properties** - this level is aimed at landlords or managers who are in control of a large portfolio of rental properties.
- **3 - 5 properties** - this level is aimed at landlords or managers who are in control of a medium size portfolio of rental properties.
- **1 - 2 properties** - this level is aimed at landlords or managers who are in control of a small portfolio of rental properties.

In consideration of the level of the fine the Council has also to take into account any assets and income of the landlord or agent, not just rental income. Consideration will therefore be given to any other financial information that the Council has access to when the punitive fine is determined.

*Determining the punitive fine - aggravating and mitigating factors*

The above factors are used in conjunction with the following table to determine a starting point for each of the offences. The Council will also consider aggravating and mitigating factors when determining a penalty. The Council will expect to see evidence from offenders before mitigation is applied. When accounting for aggravating factors, the penalty for the offence shall not exceed the starting point of the next category of offence on the table of starting points. For example, an offence

committed by a landlord with 1-2 properties that was deemed to be low culpability but major impact will have a starting point of £500. An increase of this fine based on aggravating factors shall not exceed £2,500, which is the next band up.

Aggravating factors may include:

- The offender has committed similar offences within the past 12 months.
- The offending behaviour resulted in actual harm to occupiers or to the local neighbourhood.
- There was a failure to respond to warnings or concerns expressed by others about the offender's behaviour.
- There was a high level of profit from the offending behaviour.
- There was an attempt to conceal or dispose of evidence.
- The offending behaviour was motivated by hostility towards a minority group, or a member or members of it.
- The residents were especially vulnerable.

Mitigating factors may include:

- The offender has made a full admission of guilt at the earliest opportunity and has co-operated fully with the investigation. This will normally result in a one-third reduction of the punitive fine. Co-operation short of a full admission will attract a smaller discount.
- Age or infirmity of the offender (if relevant to the offending behaviour and if not already considered when deciding the category of offence).
- Mental illness or disability of the offender (if relevant to the offending behaviour and if not already considered when deciding the category of offence).
- Where a large fine would cause exceptional hardship.

*Determining the punitive fine - totality*

The Council will also apply the principle of totality to any penalty, that is, a final consideration will be given as to whether the calculated punitive fine is just and proportionate in all the circumstances of the case.

### *Investigative costs*

The Council believes the offender should bear the cost of investigations, rather than good landlords or local tax payers. To reflect this, any penalty issued shall include the Council's investigative costs. These costs include the time spent by the Council in investigating the offence and preparing the case bundle and civil penalty notices. It is important to note this part of the civil penalty total does not include any costs associated with any appeal. These will be charged separately.

The Council will also apply the principle that the costs to be charged shall not exceed the punitive part of the civil penalty.

### *Representations*

Upon receipt of a notice of the Council's intent to issue a financial penalty, the offender has a period in which they can make representations about the Council's intention.

The law does not specify what these representations should be, but the Council offers the following guidelines:

- The decision to impose a financial penalty was based on an error of fact. For example, a penalty issued for the failure to comply with a licence condition would be incorrect if there is evidence to show there had been compliance. Please note the Council will expect to see evidence of the error of fact. The Council may also carry out additional investigations before making a decision.

- The decision was wrong in law. A recipient can make a representation if they believe the penalty has been issued because the Council has misunderstood the law. We will expect to see an explanation of why the recipient thinks the decision was wrong in law.
- The amount of the financial penalty is unreasonable. We will expect an explanation as to why the penalty is unreasonable based on the above guidance.
- The decision was unreasonable for any other reason. Please note that it will not be sufficient to simply complain that the penalty is unfair without any supporting reasons.

### *Appeals against civil penalties*

A person who has been served with a civil penalty has the right to appeal to the First-Tier Tribunal (Property Chamber) which will involve a hearing of the Council's decision to impose the penalty. The Tribunal has the power to confirm, reduce or to quash the civil penalty imposed by the Council. The Tribunal can also dismiss an appeal if it concludes the appeal is frivolous, is an abuse of process or vexatious, or that it has no reasonable prospect of success.

The Council intends to defend its decision to issue civil penalties which will involve not only officer time but also specialist legal support. As a result, the Council will seek to recover its legal costs in the event it is required to defend its decision at the Tribunal.

## **Policy 3 - Statement of Principles - Smoke and Carbon Monoxide Alarms (England) Regulations 2015**

### *Background*

The regulations require Local Authorities to prepare and publish a Statement of Principles which it proposes to follow in determining the amount of a penalty charge.

This Statement details the principles that Reading Borough Council (the Council) will apply when requiring a landlord (this includes agents) to pay a financial penalty for breach of the regulations.

### *The Requirements under the Regulations*

The Smoke and Carbon Monoxide Alarms (England) Regulations 2015 (the Regulations) require landlords who let properties under a tenancy to provide and undertake the following:

1. A smoke alarm is fitted to each storey of a property where a room is wholly or partly used as living accommodation.
2. A carbon monoxide alarm is fitted in any room of the property which is used wholly or partly as living accommodation and contains a solid fuel burning combustion appliance.
3. Checks are made either by the landlord or on behalf of the landlord at the start of each new tenancy to ensure the alarms required are in proper working order.

For the purposes of the legislation, living accommodation is a room that is used for the primary purposes of living, or is a room in which a person spends a significant amount of time, and a bathroom or lavatory is classed within this definition. A tenancy begins on the day, under the terms of the tenancy, when a tenant is able to take possession of the property.



## *Enforcement*

In circumstances where the Council has reasonable grounds to believe that:

1. The smoke or carbon monoxide alarms required by the regulations have either not been fitted, or there are insufficient numbers; or
2. The smoke or carbon monoxide alarms were not in proper working order at the start of the tenancy or licence;

The Council will, within 21 days, serve on the landlord (this includes agents if they are the immediate landlord) a Remedial Notice detailing the action to be taken to comply with the Regulations.

If the Council is satisfied that the Landlord has not complied with the Remedial Notice within the 28 days given to do so, then the Landlord will be served with a Penalty Charge by means of a Penalty Charge Notice and the Council will undertake the remedial work with the consent of the occupier.

### *The Penalty Charge*

A penalty charge must be set at a level that is proportionate to the risk posed by non-compliance with the requirements of the Regulations and which will deter non-compliance. It should also eliminate any gain or benefit from non-compliance of the Regulations and cover the costs incurred by the Council in administering and implementing the legislation.

Reading Borough Council will impose a penalty charge of £2,500 for a first offence and any subsequent offences will be levied at £5,000 which is the maximum amount that can be imposed under these Regulations. These fines are considered proportionate for non-compliance with the Remedial Notice for the following reasons:

- Fire and Carbon Monoxide are two of the 29 hazards prescribed by the Housing Health and Safety Rating System and often result in death and serious injury without the appropriate early warning measures in place, such as smoke and carbon monoxide alarms;
- The penalties detailed in this Statement of Principles reflects the seriousness of the matter and are at a level to deter non-compliance;
- The provision of smoke and carbon monoxide alarms does not place an excessive burden on a landlord. The cost of the alarms is low and in many cases they can be self-installed without the need for a professional contractor. The impact on occupiers, damage to property and financial costs resulting from a fire or carbon monoxide poisoning event far out-weigh the cost of installing alarms.
- The landlord will have been given ample opportunity with the issue of the Remedial Notice to carry out the necessary works and it is only a failure on their part to do so that will result in a penalty charge being issued.

On issuing the penalty charge, the Landlord has 30 days - from the date the penalty charge is issued - to pay the fine imposed.

#### *Appeals in relation to the Penalty Charge Notice*

The landlord has a right to seek a review of the penalty charge notice by writing to the Council (details on the Notice) within 28 days of the Notice being issued.

On consideration of any representation and evidence, the penalty charge notice can be confirmed, varied, or withdrawn. This decision is confirmed by issuing a decision notice to the landlord. If varied or confirmed, the notice shall state a further appeal can be made to a First Tier Property Tribunal and details given.

The Council intends to defend its decision to issue a penalty charge, which will not only involve officer time but also specialist legal support. As a result the Council will

seek to recover its legal costs should it be required to defend its decision at the Tribunal.

### *Recovery of Penalty Charge*

The Council may recover the penalty charge as laid out in the regulations. Due to costs incurred by the Council, any penalty charge notice shall be pursued for payment.

### *Review of Statement*

This Statement of Principles shall be reviewed and amended to reflect any change in legislation, corporate policy or official guidance. Any amendment shall be in line with meeting the requirements of the legislation and in the public interest.

## **Policy 4 - Owner-Occupied Dwellings**

Other than in exceptional cases, the Council expects owner-occupiers, including long leaseholders, to take their own action to remedy problems of disrepair or nuisance.

Owner-occupiers are in a stronger position to invoke their lease or their statutory rights, whereas short-term tenants of private landlords put themselves at the risk of losing their homes as a result of invoking their rights. Grants, loans and other forms of assistance are available to some owner-occupiers for repairs, heating improvements and security works as outlined in the Council's Private Sector Renewal Policy.

The majority of enforcement work is carried out in dwellings owned by private landlords. As the Council enforces the above statutes, the Council has no powers to deal with Council owned dwellings.

## **Policy 5 - Empty Homes**

The Council will use its powers in line with the Empty Homes Strategy.

The strategy can be found at: [www.reading.gov.uk/emptyhomes](http://www.reading.gov.uk/emptyhomes)

## **Policy 6 - Partnership Working**

The Private Sector Housing Team will ensure that partnership links are developed and maintained. Partners assist in ensuring consistent and targeted enforcement.

External partners include the Royal Berkshire Fire and Rescue Service (RBFPS), the University of Reading, Thames Valley University, Thames Valley Police, the Primary Care Trust and members of the National Landlord Association and Residential Landlords Association.

## Policy 7 - HMO Licensing Policies

### *Encouraging Applications*

The Council will encourage landlords to apply for licences using a variety of methods.

The Council will:

- publicise the need to licence HMOs
- involve landlords and letting agents through information sessions
- liaise with The University of Reading and Reading College
- Provide discounts to landlords currently accredited through the National Landlord Association, the Residential Landlords Association and the Reading Rent with Confidence Scheme
- applications to be made online
- set up a voicemail system for enquiries
- where resources permit, offer a service assisting applicants with completion of forms and measuring rooms, (additional charges will be made to enable the Council to resource this, as set out in the fees and charges scheme.
- send letters warning of prosecution

### *Fees for licence applications*

The Council will charge a differentiated fee structure based on the level of work the Council is required to undertake. Lower rates apply where landlords are part of a landlord accreditation scheme.

The fees will be set to cover the Council's costs of licensing HMOs and are likely to be comparable to fees being charged by other authorities. There is no cap on fees, but the Council must be able to justify its charges. The discounts aim to reward the more responsible landlords by offering discounts for accredited membership of certain schemes.

Fees will be reviewed periodically, and any increases will be publicised on the Council's website and in writing to landlords.

### *HMO standards*

The council will determine the number of people an HMO is licensed for in accordance with compliance with the relevant adopted standards and national guidance detailing room sizes and kitchen and bathroom facilities.

Applications will need to include dimensions of rooms and details of the kitchen and bathroom facilities to enable assessment of the number of occupiers permitted in the licence. The Council will determine the suitability of occupation of a licensable HMO based on the property's current rather than future suitability. Suitability will be based on the licence application and inspection of the accommodation.

### *Management Arrangements*

The Council will expect the licensee to have satisfactory arrangements and funding in place for the management of the HMO. Satisfactory arrangements for management will include:

- a reliable contact for tenants to report defects, including in emergencies, who will arrange for repairs to be carried out within a reasonable period
- where the manager of the HMO is not the owner, the manager must have the authority to fund urgent repairs, when the owner's approval cannot be obtained
- arrangements in place for periodic inspections to identify where repair or maintenance is needed

A Management Pack for landlords of HMOs has been produced by the Council to assist in meeting this requirement.

Where a landlord fails to demonstrate adequate management arrangements, or has previous history indicative of poor management, the Council may limit the duration of a licence to less than 5 years.

Any steps to reduce the term of the licence below the standard 5 years will be fully justified by the officer issuing the licence. Where a licence holder breaches the condition of a licence, in cases where long timescales have been specified (e.g. installation of amenities or wash hand basins), the Council will instigate formal enforcement proceedings.

Licence holders are responsible for complying with the conditions of their licence. Adequate timescales for completion of works will be given.

#### *Discretionary licence conditions*

In addition to the mandatory licensing conditions (see 3.7 above), the Council will apply certain discretionary conditions where relevant to all licences. These will include:

- The licence holder of the property must hold a management folder which contains information on the management procedures in place for the property. The folder should include the following, as applicable:
  - a) Contact details;
  - b) Fire risk assessment(s);
  - c) Test log(s);
  - d) Annual test reports/safety certificates;
  - e) Energy Performance Certificate;
  - f) Details of any HMO management training that has been completed;
  - g) Complaints procedure.

This folder may be in a digital format.

- to provide copies of reports of fire detection, alarm system and emergency lighting to the council on request;
- the name, address and telephone number for licensee or manager is to be displayed in the common parts of the HMO;
- a copy of a valid gas safety certificate to be displayed in the common parts;
- a copy of the licence to be displayed in the common parts;
- that tenancy agreements must set out how owners or managers intend to deal with antisocial behaviour from tenants or visitors; and
- that any anti-social behaviour arising in the HMO is dealt with under the terms of any tenancy agreement.

The Council may apply other conditions to individual licences with respect to the use, management and occupation of the HMO, where appropriate, and may seek evidence of compliance with conditions at any time. Licences may also be time-limited based on the proposed licence holder's history of management, compliance and fit and proper person status.

### ***Temporary Exemption Notices (“TENs”)***

A TEN will be served where an owner of a licensable HMO states in writing that they are taking steps to make an HMO non-licensable, that the HMO will not be licensable within three months, and they provide appropriate evidence. The Council does not wish these notices to be used routinely, and therefore a second notice will only be acceptable in exceptional and unforeseen circumstances agreed by the service manager.



## Policy 8 - Rent Repayment Orders

Rent Repayment Orders were introduced as part of the Housing Act 2004 to recover Housing Benefit/Universal Credit that was paid to landlords convicted of running unlicensed properties. The Housing and Planning Act places a new obligation on local authorities to consider seeking a Rent Repayment Order following conviction for certain offences; and increases the number of offences this relates to. The offences include:

- Using violence for securing entry;
- Eviction or harassment of occupiers;
- Failure to comply with an Improvement Notice;
- Failure to comply with a Prohibition Order;
- Failure to licence or be licensed in respect of a HMO;
- Failure to licence or be licensed in respect of a Selective Licensing Scheme; or
- Breach of a Banning Order.

Where a landlord is convicted the Council intends to make an application to The First Tier Property Tribunal for a Rent Repayment Order.

The Council intends to use its powers under the Act to seek Rent Repayment Orders for repayment of up to twelve months' housing benefit/Universal Credit for the period since the landlord was required to licence the HMO. In respect of private tenants, in cases where the council prosecutes the landlord for failure to licence the HMO, the Council will advise tenants on how to obtain a Rent Repayment Order.

## **Policy 9 - Interim and Final Management Orders**

The Council will only use these powers in exceptional circumstances.

Where there is no prospect of a HMO being licensed, the Act requires the Council to make an Interim Management Order. This enables the Council, or a partner, to take over the management of an HMO and become responsible for running the property and collecting rent for up to a year. In extreme cases this can be extended as a Final Management Order, with the Council having powers to grant tenancies. The Residential Property Tribunal will be responsible for authorising any such order.

## **Policy 10 - Discretionary HMO Licensing**

The Council will review the need for additional and selective licensing scheme in accordance with the Council's Corporate Plan.

The mandatory scheme aims to tackle the highest risk properties and this will require significant resources. It is therefore intended to keep under review the need for further discretionary schemes and put into place a system for the collation of evidence to support any such scheme.

## **Policy 11 - Bed and Breakfast Hotels**

The Council will declare bed and breakfast hotels as HMOs where 25% of the total number of sleeping rooms are regularly occupied for 30 days or more by persons in receipt of Housing Benefit, or who are paying a weekly or monthly rent, as opposed to overnight charges.

The Council believes that where this accommodation is used as a main residence, the same standards as for other HMOs should be met. People who use a hotel as a main residence are likely to be either homeless, placed there by a local authority, or their home will be in another country.

## **Policy 12 - Category 2 hazards**

The Council will only deal with category 2 hazards in exceptional circumstances.

The Council has discretionary powers to deal with category 2 hazards. It is not necessary or appropriate for us to deal with them in all circumstances. The Council will however take relevant action to reduce the hazard(s) to an acceptable risk. Each case will be considered on an individual basis, and may take into account:

- the vulnerability of the current occupants;
- the nature of the risk;
- the number of risks found.

## **Policy 13 - Improvement notices**

Where an Improvement Notice is served, the Council will require sufficient works to abate the hazard for five years.

The law prescribes that the minimum works must abate the hazard. The Council will require works of a reasonable duration to prevent recurrence. The Council considers five years to be reasonable.

## **Policy 14 - Charges for enforcement**

The Housing Act 2004 does not set a maximum charge for enforcement. The Act provides a power to the Council to charge for certain enforcement activities, which are outlined below:

- serving an improvement notice;
- making a prohibition order;
- serving a hazard awareness notice;
- taking emergency remedial action;

- making an emergency prohibition order;
- making a demolition order;
- reviewing a suspended improvement notice or prohibition order.

The Council will charge based on the amount of work undertaken by officers in performing their enforcement functions.

## **Appeals**

A landlord may appeal to the First Tier Property Tribunal in certain cases, such as:

- where it is believed a legal notice has been served on them incorrectly
- where they believed that works were over specified;
- where it is believed that a licence has been refused without adequate justification.

Appeals are made to the First Tier Property Tribunal, which is an independent body. Appeal panels consist of three people, a legal expert, a technical expert and a lay member.

The function of the Tribunal is to consider the appeal and it may rule in favour of accepting the appeal, dismiss the appeal, or vary the requirements of a notice or order.

## **Complaints**

The Council has an established corporate complaints procedure for dealing with matters other than an appeal (see appeals above). All Council offices have copies of a leaflet explaining how to make a complaint.

A complaint should be linked to the Council's systems and procedures and may be about delay, lack of response, discourtesy or any item that leaves cause for dissatisfaction with the Council's conduct.

### **Policy Revision**

Minor changes to policy delivery may be required from time to time. The Assistant Director of Planning, Development and Regulatory Services has delegated authority to make changes, which do not affect the broad thrust of policy direction. This will enable changes to policy delivery to be accommodated and best practice to be included without a formal re-adoption process.

## Appendix A

### Housing Health and Safety Rating System

	<b>Hazard</b>	<b>Description</b>
1	<b>Damp and Mould Growth</b>	Exposure to house dust mites, mould or fungal growths resulting from dampness or high humidity
2	<b>Excess Cold</b>	A temperature, which is less than 18 degrees centigrade.
3	<b>Excess Heat</b>	A temperature, which is more than 25 degrees centigrade.
4	<b>Asbestos and MMF</b>	Exposure to asbestos fibres or manufactured mineral fibres.
5	<b>Biocides</b>	Exposure to chemicals used to treat timber and mould growth.
6	<b>Carbon Monoxide and Fuel Combustion Products</b>	Exposure to carbon monoxide, nitrogen dioxide, sulphur dioxide and smoke
7	<b>Lead</b>	The ingestion of lead.
8	<b>Radiation</b>	Exposure to radon gas
9	<b>Uncombusted Fuel Gas -</b>	Exposure to uncombusted fuel gas.
10	<b>Volatile Organic Compounds</b>	Exposure to volatile organic compounds that are gaseous at room temperature.
11	<b>Crowding and Space</b>	A lack of adequate space for living and sleeping.
12	<b>Entry by Intruders</b>	Difficulties in keeping the dwelling or HMO secure against unauthorised entry
13	<b>Lighting</b>	A lack of adequate lighting.
14	<b>Noise</b>	Exposure to noise.
15	<b>Domestic Hygiene, Pests and Refuge</b>	a) Poor design, layout or construction such that the dwelling or HMO cannot readily be kept clean. b) Exposure to pests.

		c) Inadequate provision for the hygienic storage and disposal of household waste.
16	<b>Food Safety</b>	An inadequate provision of facilities for the storage, preparation and cooking of food.
17	<b>Personal Hygiene, Sanitation and Drainage</b>	a) Facilities for maintaining good personal hygiene; b) Sanitation and drainage.
18	<b>Water Supply</b>	An inadequate supply of water for drinking and other domestic purposes.
19	<b>Falls Associated with Baths</b>	Falls associated with baths, showers or other washing facilities.
20	<b>Falls on Level Surfaces etc</b>	Falls on any level surface or falls between surfaces where the change in level is not more than 300 millimeters.
21	<b>Falls Associated with Stairs etc</b>	Falls on stairs, steps or ramps where the change in level is more than 300 millimeters.
22	<b>Falls between Levels</b>	Falls between levels where the difference in levels is more than 300 millimeters.
23	<b>Electrical Hazards</b>	Exposure to electricity.
24	<b>Fire</b>	Exposure to uncontrolled fire.
25	<b>Flames, Hot Surfaces etc</b>	Contact with: a) Controlled fire or flames; b) Hot objects, liquid or vapours.
26	<b>Collision and Entrapment</b>	Collision with or entrapment of body parts in doors, windows or other architectural features.
27	<b>Explosions</b>	An explosion at, or near, the dwelling or HMO.
28	<b>Position of amenities etc</b>	The position and location of amenities, fittings and equipment.
29	<b>Structural Collapse and Falling Elements</b>	The collapse of the whole or part of the dwelling or HMO.