



## CABINET

Tuesday 6 October 2020

### PRIVATE SECTOR HOUSING STRATEGY - UPDATE

#### EXECUTIVE SUMMARY

1. In 2018/19 the Private Sector Housing Strategy was adopted by Suffolk Coastal and Waveney District Councils. 18 months on, the strategy has been reviewed and, in the light of the new East Suffolk Strategic Plan, and lessons learnt from delivery, it is appropriate to ask Cabinet to approve some changes in policy and practice.
2. Key changes include the new Independent Living – East Suffolk agency; changes to discretionary disabled facilities grants; a greener renovation grants policy; implementing the new electrical safety regulations and changes to the civil penalties framework.

Is the report Open or Exempt?	Open
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<b>Wards Affected:</b>	All
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<b>Cabinet Member:</b>	Councillor Richard Kerry Cabinet Member with responsibility for Housing
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<b>Supporting Officer:</b>	Teresa Howarth Principal Environmental Health Officer 01394 444206 <a href="mailto:teresa.howarth@east Suffolk.gov.uk">teresa.howarth@east Suffolk.gov.uk</a>
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## **1 INTRODUCTION**

- 1.1 In 2017 the East Suffolk Housing Strategy was adopted which set out joint ambitions for Housing across Suffolk Coastal District Council (SCDC) and Waveney District Council (WDC), providing the overarching framework for all housing services. The Private Sector Housing Strategy, adopted in 2019 by both SCDC and WDC, is the more detailed plan for this service area. The service deals with housing standards across all tenures, houses in multiple occupation, domestic energy efficiency, fuel poverty, caravans and gypsies and travellers, and disabled adaptations. The strategy identifies the challenges facing the sector, identifies what we have achieved to date and specific actions detailing how we will deliver solutions to the most pressing issues, between now and 2023.
- 1.2 East Suffolk Council has a new Strategic Plan which introduces two new themes: Delivering Digital Transformation and Caring for our Environment. The Council has brought in-house the Independent Living Agency to better support those living with a disability to remain at home with as much independence as possible, and of course the C-19 pandemic has brought new learning about how to work smarter in a crisis. New legislation has been adopted and enforcement action has highlighted some areas where our policies could be improved. All of these matters have led to revisions of the Private Sector Housing Strategy.

## **2 INDEPENDENT LIVING - EAST SUFFOLK (IL-ES)**

- 2.1 East Suffolk is working with Suffolk County Council and the other District and Borough Councils in Suffolk, to establish a new model for effective and efficient delivery of services to residents living with a disability, to replace the contracted service delivered on a County-wide basis by Orbit
- 2.2 The primary purpose of the Independent Living agency is assisting with adaptations via disabled facilities grants (DFG). Agency services support vulnerable residents through complex processes and, in areas where no agency exists, the take up of DFG is low.
- 2.3 The new model has been designed very much with the customer at the centre and looks to streamline the customer journey and speed up delivery. An independent review of DFG delivery was conducted in 2018. Some of its findings are shaping the new service including:
  - Evidence that too many people drop out due to having a contribution to make.
  - An identified need for joining up the process and shifting the thinking from 'welfare' to 'investment' so that decisions are taken in a more preventative way that is based on the long-term health and wellbeing of disabled people and their families.
- 2.4 East Suffolk is piloting many of the new ways of working due to the Council leaving the previous Orbit partnership 6 months ahead of others, a decision approved by the Head of Housing in consultation with the Cabinet Member for Housing, in November 2019.
- 2.5 The new Independent Living - East Suffolk (IL-ES) agency (the agency) is currently resourced by 3 staff transferred from Orbit under TUPE and additional hours provided by staff within the Private Sector Housing (PSH) team. This arrangement is a temporary one whilst the full model is being developed.
- 2.6 40 % of all Suffolk DFG grants originate in East Suffolk and the new agency has been handed a very large caseload from the beginning, rather than there being the gradual handover originally envisaged. The agency already has over 400 cases which based on average grant approvals of c£7,000 (inc fees) per applicant will require a budget of c £2.8m. If all the grants were approved and the works paid for in year this would mean

utilising this year's full Better Care Fund DFG allocation for East Suffolk of £2.3M and result in an anticipated overspend of £0.5m. Given the lead-in times to organising home adaptations, it is unlikely that all works will be completed within this financial year, but if they are the Council has carried forward budget from a previous year's underspend, so will not be under financial pressure in delivering these adaptations.

- 2.7 Separate from usual DFG, the team has also dealt with 134 enquiries and processed 48 Covid 19 grants to support patients out of hospital and prevent the most vulnerable from admission. This has been a vital piece of work and also informs some of the changes to grant regime identified below. Yet further changes involve introducing new digital options that are replacing the work previously done face to face. These will remain as they have proved to be acceptable to our largely elderly client base and save both time and travel costs.
- 2.8 To meet current and future demand for services a new team structure has been devised which will ensure an effective agency can be delivered in the long term. Finalisation of this new structure is awaiting final partnership decisions.
- 2.9 The most effective independent living agencies are based on solutions locally delivered by co-located and multi-disciplinary teams with input from PSH, Adult Care and Health. This is the basis of the proposals that East Suffolk have put forward to the Suffolk Independent Living Partnership. The IL-ES agency is also based around a different funding model. Agency costs are traditionally funded from a fee charged against each individual grant, which is payable from the DFG allocation that is received from central Government annually (the £2.3m). Under the new agency model, it is proposed that agency costs will be funded upfront from this DFG allocation. This is permissible under the rules of the funding and provides a degree of financial certainty, allowing the agency to develop services complimentary to the disabled facilities grants, for example enabling a resident to move into a more suitable property, thereby avoiding the need to fund more expensive adaptation works. Under the traditional model this would not have received an agency fee and therefore would not have been a priority for the service provider.
- 2.10 The agency is using the Council's Dynamic Purchasing System as a pricing tool for grant works. This is a software system that enables streamlined pricing of jobs where there are similar types of work being done and is therefore ideal for adaptation work. Other Councils have shown an interest in utilising for their areas.
- 2.11 Stepping Home – the Stepping Home service provided by the Council in East Suffolk covers the majority of the county excluding the northern part of East Suffolk. The service provides support for medically fit patients who have housing related issues at home that prevent their safe discharge from hospital and thereby result in bed-blocking. It also supports people who are at risk of being admitted to hospital, but who could more suitably be treated at home, if some relatively minor adaptations were undertaken. During the Covid lockdown period this service was under extreme pressure and provided vital support to both Ipswich and West Suffolk hospitals. Stepping Home is a pilot service initially funded by Clinical Commissioning Groups for 12 months. To assist the NHS and reduce bed blocking (an NHS bed is estimated to cost a minimum of £250 per night) East Suffolk has allocated Covid 19 monies to keep the service going until the end of November 2020. Despite notable success it has been very challenging to engage health and social care in the future funding of the service. A proposal has recently been put forward to each of the members of the Independent Living (IL) partnership that each District and Borough allocate £25,000 per annum to support the service moving forward whilst East Suffolk continue to try and obtain health funding for the project.

Final decisions are awaited but initial responses were positive. The consequences of allowing the service to disappear would be significant.

- 2.12 Stepping Home sits as a natural part of the IL-ES agency and similar services are provided in other exemplar agencies across the UK. The situation in the Waveney CCG area is slightly different in that Great Yarmouth Borough Council run a similar service (Be at Home) for patients in James Paget University Hospital which East Suffolk supports financially.

### 3 CHANGES TO GRANT POLICY

- 3.1 DFGs are mandatory for certain adaptations and are subject to a test of financial resources. East Suffolk has adopted a policy under Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (which allows us to offer discretionary grants). It is proposed that these discretionary grants are varied to meet the circumstances and challenges outlined above. It is proposed that there will be four grants (three new and one existing) for disabled adaptations which are outlined below, and detailed in Appendix A. The new grants would come into force for new applications approved on or after 1 November 2020.
- 3.1.1 **\*\* Out of hospital grants for urgent works in appropriate cases, **not subject to a means test** or any grant conditions, up to a maximum of £10,000.** These grants have evolved from learning under Covid, particularly how important it is to be able to intervene quickly to make, or keep, a home safe for a patient. During Covid modular ramps have been installed under a specific Covid 19 grant provision, within days of an enquiry, by removing the financial assessment and simplifying the procedure.
- 3.1.2 **\*\*Fast track DFG for those who are in urgent need of an adaptation but do not meet the acute need for out of hospital grant. Must either be **in receipt of a means tested benefit** or Council Tax reduction (CTR) and have savings below £10,000 per adult, **OR** the adaptations are for a client **under 18 years of age**. The adaptations must cost no more than £10,000.**
- 3.1.3 **Mandatory DFG where a means test is applied to determine applicant's contribution towards the work**
- 3.1.4 **\*\*Discretionary Supplementary grants are proposed as a new initiative. Research shows that many people who have an assessed contribution fail to have works carried out leaving them at risk in their homes and likely to be a burden on other elements of the health and social care system. The supplementary grant proposes all applicants for mandatory DFG can have access to a grant to fund the first £5,000 of work (Subject to budget being available).**

\*\* = New grant.

- 3.1.5 Most of our applicants, who are assessed as having a contribution to pay, are not wealthy, as the means test is far from generous. For example, we recently had a case where the contribution for a couple in their 70s was just over £1700.00, based on an income consisting of two state retirement pensions and industrial injuries benefit. In addition they had capital of £4500. They didn't proceed with the works which would have cost £7000, as they were worried about depleting their small capital. Not

proceeding leaves them at risk of a fall. A fall leading to a hip replacement will cost other parts of the health and care system an estimated £28,000.

3.1.6 There is a risk that more affluent people may apply for this fund when they can afford to pay for their own works but, by requiring them to provide evidence of all their finances for the means test, it is believed this will be a small number of individuals.

3.1.7 This grant will also be available to children's cases where costs of works exceed £30,000, as a discretionary top up.

3.2 Renovation Grants are discretionary grants offered to improve housing standards. The existing policy is proving popular. Grant enquiries increased from 40 in 2017/18 to 153 in 2019/20. To ensure we can continue to offer this support some changes are proposed. These changes also support the Council's strategic aim of Caring for our Environment by introducing energy efficiency and renewable heating opportunities.

3.2.1 The four renovation grants available are Owner's Improvement Grant, Landlord's Affordable Rent Grant, First Time Buyer's Grant and Empty Homes Grant. Full details are included at Appendix A. Changes to policy include removing Council tax Band D properties from eligibility, reducing landlord's grant to 50% of the costs for works that could be required by enforcement and setting a target of EPC band C for energy efficiency. These new grants would come into force for applications received after 31 March 2021.

3.3 Changes to the grant policy for both Disabled Facilities Grants and Renovation Grants will be reviewed after 12 months or sooner, subject to demand on funding, to determine if they are meeting need and any minor changes to policy will be agreed by the Head of Housing in consultation with the Cabinet member for Housing.

#### **4 CHANGES TO ENFORCEMENT ROLE**

4.1 Civil penalties and new matrix for HMOs In 2017 the two Councils adopted a policy under the Housing and Planning Act 2016 to enable them to impose Civil Penalties against private landlords who are found to have committed offences. Civil penalties are fines imposed by the Council as an alternative to prosecution. There is a need to demonstrate "beyond reasonable doubt" that an offence has been committed, so the burden of proof is similar to a prosecution case. The maximum fine that can be imposed is £30,000.

4.2 The policy has been implemented against several landlords over the last 2 years. The policy has been tested in an appeal to the Residential Property Tribunal and our approach was accepted as reasonable however, the process led to the identification of the need to publish a penalty matrix (the means by which the level of penalty is determined) that more closely aligned to offences relating to Houses in Multiple Occupation. This new matrix is attached at Appendix C and is recommended for adoption, in addition to the existing matrix.

4.3 The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020 ("the regulations") came into force on 01 June 2020 and place a responsibility on landlords to ensure that the electrical installation within a property is safe. Installations must be inspected and tested at least every 5 years by a qualified person. The requirement commenced for all new tenancies on 01 July 2020 and rolls out to existing tenancies from 01 April 2021.

4.4 Local housing authorities (LHA) must take action under the regulations where a landlord has failed to act. This is initially by way of a Remedial Notice. Where a Remedial Notice is not complied with, the LHA has the ability to carry out remedial action and re-charge the costs of this to the landlord. Where works are of an urgent nature (i.e. an imminent

danger to life or significant risk of harm), the LHA is able to carry out urgent remedial action. Staff within the PSH team regularly check electrical safety but now have specific regulations that align with the annual gas safety checks. Members are asked to agree to delegate the authority to act under the Regulations to the Head of Housing who will cascade the delegation to staff within the team.

4.5 Penalties for breaches of the Regulations are set as part of the Councils policy and the proposals are detailed in Appendix D

4.6 Anti-social Behaviour, Crime and Policing Act 2014. This act introduced Community Protection Notices which enable officers to deal with antisocial behaviour that has a detrimental effect on the quality of life of those in the locality. Currently the Private Sector Housing Team involve the Communities Team in circumstances where a CPN may be appropriate but, on occasions, it would be more effective and efficient for PSH to have the authority to serve these notices, enforce remedial action, issue penalty notices or take other specified action under the Act. Delegations are sought to allow this approach.

## **5 HOW DOES THIS RELATE TO THE EAST SUFFOLK STRATEGIC PLAN?**

5.1 The proposal aligns with the Vision in the East Suffolk Strategic Plan of improving the quality of life for those living in the District. By improving housing to meet the needs of residents, the three-pronged approach of working with communities to make their housing safer and more suitable for an ageing population is met. This proposal also helps deliver the aims of the Housing and Health Charter which include addressing enabling independence.

5.2 The proposal to review the Home Improvement Agency is a key action in the adopted Private Sector Housing Strategy, it is key in improving mental and physical health and wellbeing and central to our role in keeping people well and maintaining independence at home. The new working practices embrace the digital aspirations of East Suffolk

5.3 The changes to renovation grant policy align with the new strategic theme of Caring for Our Environment.

## **6 FINANCIAL AND GOVERNANCE IMPLICATIONS**

6.1 The Better Care Fund DFG allocation for East Suffolk is £2.3M annually which will provide sufficient funding to meet the new grant regime.

6.2 The salaries of caseworkers and technical officers will be covered from fees added to each grant or, as detailed above and subject to agreement, by top slicing the DFG. The management and admin costs will be met from the existing revenue budget and any shortfall from repaid DFGs and legal charges from enforcement action which currently stand at approximately £67,000. The annual DFG budget/ repaid DFG can also support the payment of East Suffolk's share of Stepping Home costs and Be At Home.

6.3 The Capital available to support Renovation Grants is approximately £850,000. This has been budgeted across 3 years, giving an annual budget of £250,000 until 2023/24. Funding thereafter will come from balance of capital (approx. £100,000) plus repaid grants, civil penalty receipts and if appropriate, monies secured under section 106 Town and Country Planning Act 1990, linked to affordable rented properties. This restriction on funding will limit the opportunity for financial support for residents and landlord's

during a period of significant growth in demand. The policy change reduces the level of support per grant, helping to prudently manage this limited budget.

- 6.4 Civil penalties and MEES fines are required by legislation to be reinvested in PSH services, so have been earmarked to support the renovation grant programme and other PSH activities.

## **7 OTHER KEY ISSUES**

- 7.1 An Equality Impact Assessment has been completed showing no negative impacts. Furthermore, the decision has been taken to implement equality and diversity data collection from service users to enable the Council to better monitor who is accessing services for the Private Sector Team, to ensure equality of access to all services across the breadth of East Suffolk communities.

## **8 CONSULTATION**

- 8.1 Landlords via the Eastern Landlord's Association  
8.2 Independent Living- Suffolk Partners.

## **9 REASON FOR RECOMMENDATIONS**

The recommendations below will create a more efficient and effective Private Sector Housing Service and align the approach more closely with the strategic aims of the Council.

### **RECOMMENDATIONS**

1. That Cabinet approves the new improvement agency model and funding structure utilising the Disabled Facility Grant allocation to fund agency costs upfront.
2. That Cabinet approves the funding of East Suffolk's annual contribution to Stepping Home and Be at Home, from the Disabled Facility Grants allocations, subject to continued receipt of Disabled Facility Grant funding from Central Government.
3. That Cabinet approves the new grant regime set out in Appendix A to this report.
4. That Cabinet approves the amendment to the Civil Penalty Policy by adopting the House in Multiple Occupation matrix.
5. That delegated authority be granted to the Head of Housing to utilise the powers under the Private Rented Sector (England) Regulations 2020 and implement the penalty charges as detailed in this report.
6. That delegated authority be granted to Head of Housing to implement the provisions of sections 43, 47, 48, 49 the Anti-social Behaviour, Crime and Policing Act 2014.
7. That Cabinet approves the review of the grant policy, after 12 months or sooner, by the Head of Housing in consultation with the Cabinet Member for Housing to ensure that it is meeting demand and delivering effectively.
8. That Cabinet approves the amendment of the Private Sector Housing strategy to reflect the policy changes agreed in this report and the give delegated authority to the Head of Housing in consultation with the Cabinet Member for Housing to approve the wording within the revised document.

<b>APPENDICES</b>	
<b>Appendix A</b>	Proposed new grant regime
<b>Appendix B</b>	Amendment to Civil Penalty policy – HMO matrix
<b>Appendix C</b>	Electrical safety - penalties

**BACKGROUND** Please note that copies of background papers have not been published on the Council's website [www.eastsuffolk.gov.uk](http://www.eastsuffolk.gov.uk) but copies of the background papers listed below are available for public inspection free of charge by contacting the relevant Council Department.

<b>Date</b>	<b>Type</b>	<b>Available From</b>
	<b>Private Sector Housing Strategy</b>	EAST <a href="http://www.eastsuffolk.gov.uk">Suffolk</a> website

# **Appendix A**

## **Grant policy**

## East Suffolk-disabled adaptations and independent living

Provision	Priority grants	Fast Track Disabled Facilities Grants	Mandatory Disabled Facilities Grants	Discretionary, Supplementary Disabled Facilities Grants
<b>Works for</b>	Discharged from hospital to a safe home; acute admission avoidance and for palliative cases	General adaptations; providing adequate heating; remaining at home for terminally ill (not in palliative stages); out of hospital - but not acute need; help to move and dementia support.	Usual	All applicants for a mandatory DFG can apply for this grant in addition to the statutory DFG to fund the first £5000 of works to incentivise them having adaptations done, rather than remaining at risk. Any applications for persons under 18 years of age, and not subject to a means test, can also apply for this supplementary grant, where the costs are over £30k
<b>Fast track</b>	Yes	Yes	No	No
<b>Eligibility</b>	Works must be supported by a health or care practitioner	Works must be supported by a health or care practitioner	Usual DFG conditions	OT or OTA recommendations
<b>Maximum grant</b>	£10,000	£10,000	Up to £30 000	£5,000
<b>Usual fees</b>	10% fee	10%	15%	15%
<b>Means test</b>	No	Receipt of a means tested benefit or CTR, and each adult has capital of less than £10,000 <b>or</b> are under 18 years of age (no means test).	Yes but passport benefits extended to include CTR	No
<b>Support</b>	Yes	Yes	Yes	Yes
<b>Options for fees-</b>	Mandatory	Mandatory	DIY application £145 Technical support only, 10% Full agency 15%	DIY application £145 Technical support only, 10% Full agency 15%
<b>Repayment conditions</b>	None	Yes as for major DFG above £5k	Yes	No
<b>Private Works</b>	The agency will also offer a fee based support service for clients who do not qualify for grant aid or who wish to have works carried out, outside of the grant scheme, subject to resources, at a fee rate of 15% of cost of works before VAT.			

<b>Renovation grants</b>				
	<b>Owners improvement grant - subject to financial assessment of resources.</b>	<b>Affordable rent grant for landlords</b>	<b>First Time Buyer Grant</b>	<b>Empty Homes Grant</b>
<b>Works for</b>	100% of the cost of remedying significant hazards in the home ( <b>less any assessed contribution</b> ) including dampness, excess cold and electrical safety; structural repair works, where the costs of repair for one major item of repair are £1,000 or above; providing full or top up funding after application of any Government or other externally funded schemes, for renewable energy installations, high cost insulation, LED lighting and other energy efficiency measures towards a target EPC C;	50% of the cost of: remedying category 1 and high 2 hazards; structural repair works, where the costs of repair for one major item of repair are £1,000 or above; Plus 100% funding (subject to max grant) or top up funding, after application of any Government or other externally funded schemes, for the additional cost towards a target EPC C or above, including LED lighting, renewable heating or high cost insulation.	Remedying category 1 and high 2 hazards, repair works, where the costs are £1,000 or above	All works to make safe, provide amenities, put in good repair and bring to a lettable standard any home that has been empty for more than 5 years. LL can apply to convert vacant buildings into new dwellings, maximum grant per building is £40,000 for two or more units but LHA conditions apply to all units created in the building.
<b>Fast track</b>	OO	LL	FTB	LL
<b>Eligibility</b>	Council tax banding of A,B,C Owned/occupied least 3 years	Landlord being prepared to let at the local housing allowance throughout grant condition period	Council tax banding of A or B All parties first time buyers, less than £7,000 in capital and savings and have borrowed at least 80% of purchase price. Purchased the property no more than two years before application	Home demonstrated as being empty for more than 5 years. Must be let at LHA for 15 years
<b>Minimum Grant</b>	£1,000	£1,000	£1,000	£1,000
<b>Maximum grant</b>	£15,000.00	£15,000.00	£15,000.00	£15,000.00
<b>Exceptional cases can be considered for £5000 of additional grant subject to agreement by Principal EHO</b>				
<b>Usual fees</b>	15% for full agency in exceptional where client cannot manage the process unaided, only			15% for full agency in exceptional where client cannot manage the process unaided, only.
<b>Means test</b>	Yes	No	Yes	No
<b>Support</b>	Yes	No	Yes	No
<b>Repayment conditions/local land charge.</b>	20 years; grants must be repaid in full if the property is sold or otherwise transferred	15 years grants must be repaid in full if the property is sold or otherwise transferred or no longer let at LHA	20 years Grants must be repaid in full if the property is sold or otherwise transferred	20 years Grants must be repaid in full if the property is sold or otherwise transferred

**Works for:**

Warm homes grants as a top up to other funding; emergency repairs grants including for heating, (costs between £500 and £5000); works to support hospital admission avoidance or discharge; and decluttering for hoarded properties

<b>Fast track</b>	No
<b>Eligibility</b>	MTB, Council Tax reduction or income below £15K per year gross.
<b>Grants levels between £500 and £5000</b>	£5,000
<b>Usual fees</b>	Yes
<b>Means test</b>	Receiving a means tested benefit or has a low income (less than £15,000 per annum), and savings of less than £10,000.
<b>Support</b>	Yes
<b>Options for fees-minimum/unsupported/full</b>	10%
<b>Repayment conditions/local land charge.</b>	5 year-local land charge.

## Appendix B

### FINANCIAL PENALTY MATRIX FOR OFFENCES RELATING TO HMOs:

#### Culpability/ Severity:

Offence:	Low	Medium	High
Not having an HMO licence	<p>Responsible person unaware of licensing requirement and had not been previously advised/ prompted by the LHA.</p> <p>Licence application and fee submitted quickly after offence identified.</p> <p>Responsible person a first time (inexperienced) landlord who is not a member of the RLA or working via an agent and HMO.</p> <p>Responsible person unaware that his property has become an HMO and applies for a TEN when notified by the LHA.</p>	<p>Responsible person not a first-time landlord but does not have any HMOs within his portfolio.</p> <p>HMO has drifted into the mandatory licensing criteria due to a lack of proactive management by the responsible person.</p> <p>Responsible person is a member of the RLA/ELA and/ or is working in conjunction with a recognised estate agent.</p> <p>Responsible person has not been prompted by LHA to licence the HMO but is regarded as having sufficient experience of being a landlord to have known of the mandatory licensing criteria.</p>	<p>Responsible person has been notified of the need to licence the HMO or has previously been made aware of the mandatory licensing criteria by the Council or other agency but has failed to apply for a licence before it became occupied by 5 or more persons.</p> <p>Responsible person has provided false or misleading information in an attempt to obstruct/ deceive the LHA.</p> <p>Responsible person has provided false or misleading information or failed to provide adequate information that invalidates his licence application and continues not to provide the required information after being requested to do so.</p> <p>Responsible person continues to operate the house as a licensable HMO after the expiry of a TEN.</p>

			<p>Responsible person avoids applying for an HMO licence because they are not legally considered to be a fit and proper person.</p> <p>Responsible person is an experienced landlord that has or has had other HMOs in his portfolio.</p> <p>Responsible person wilfully obstructs the LHA and licensable HMO determination made by exercising a warrant of entry.</p> <p>Responsible person has been prosecuted previously for operate a house as an HMO without the requisite licence.</p> <p>The unlicensed HMO is being used to provide accommodation for persons who do not have the right to rent/ remain in the country and/ or have been victims of modern day slavery/ human trafficking.</p> <p>Responsible person is the subject of a Banning Order.</p>
<b>Financial Penalty</b> (as a stand-alone offence):	<b>£1000</b>	<b>£2000</b>	<b>£5000</b>

**Severity & Potential for Harm:**

Offence:	Low	Medium	High
<p>Failure to comply with the HMO Management Regulations:</p>	<p>1 – 2 minor regulation breaches that do not pose a serious risk to the health, safety &amp; well-being of the occupants of the HMO and HMO otherwise in a good condition. For example, not displaying contact information; untidy gardens.</p> <p>1 – 2 regulation breaches that contribute to low scoring category 2 hazards when assessed using the HHSRS.</p>	<p>1 – 3 regulation breaches that could cause moderate or serious harm to the occupants of the HMO if not attended to.</p> <p>1 – 3 regulation breaches that have not been adequately addressed after being brought to the attention of the responsible person.</p> <p>Persistent mismanagement of the HMO that gives rise to repeated regulation breaches, that is, the same breaches occur time and time again and are only addressed when brought to the attention of the responsible person.</p> <p>1 – 3 regulation breaches that contribute to category 2 hazards when assessed using the HHSRS.</p>	<p>4 or more regulation breaches of any description.</p> <p>1 or more serious regulation breaches that contributes to a category 1 hazard when assessed using the HHSRS.</p> <p>4 or more regulation breaches that have not been adequately addressed after being brought to the attention of the responsible person.</p> <p>Failure to maintain fire safety equipment or implement adequate fire safety precautions.</p> <p>Serious and regular mismanagement of the HMO by the responsible person leading to frequent breaches of the HMO management regulations.</p>
<p><b>Financial Penalty</b> (as a stand-alone offence):</p>	<p><b>£500</b></p>	<p><b>£1500</b></p>	<p><b>£2500</b></p>

**Combined Offences:**

<b>Offence:</b>		<b>Not having a licence</b>		
		<b>Low</b>	<b>Medium</b>	<b>High</b>
<b>HMO Regulation breaches</b>	<b>Low</b>	£1500	£2500	£5500
	<b>Medium</b>	£2000	£3500	£6500
	<b>High</b>	£3500	£4500	£7500

## Appendix C

### Private Rented Sector (England) Regulations 2020 -Electrical Safety Penalties

The penalty structure has been established in line with the recommendations of the Civil penalties under the Housing and Planning Act 2016: Guidance for Local Housing Authorities as follows:

<b>First Offence</b>	<b>Second Offence</b>	<b>Subsequent Offence</b>
C1 Codes present £5,000	C1 code present £15,000	£30,000
C2 codes present (4+) £2,500		
C2 codes present (1-3) £1,000	C2 codes (no C1 codes) £10,000	
Failure to obtain EICR, with a satisfactory report being produced by the LHA under remedial action (no remedial works required) £500		

*Culpability of offender* is taken into account by penalties increasing for subsequent offences. Offences under other Acts, such as the Housing Act 2004, have been considered, but will not impact on penalties for these Regulations as LHAs are already able to charge penalties specifically for those offences.

The *severity of the offence*, incorporating the *harm posed to the occupants*, is linked to the condition reported by the qualified person and the relevant penalty increases to reflect the number and/or type of hazardous conditions found.

Where a landlord has failed to provide a report, where the LHA takes remedial action to commission such a report, with the installation found to be in a satisfactory condition, a penalty will be imposed to reflect:

- the attitude of the landlord
- failure to comply with the requirement for the report to be carried out
- the cost of obtaining a report, with the penalty being a deterrent