



Housing Standards – Civil Penalty Policy

Policy document setting out how Torbay Council will deliver section 249a of The Housing Act 2004 (as implemented by section 126 of the Housing and Planning Act 2016) in order to issue civil penalties as alternative to prosecution

Section 126 and schedule 9 of the Housing and Planning Act 2016 came into force on the 6th April 2017.

These provisions give the local housing authority the power to issue a financial penalty for certain Housing Act 2004 offences as an alternative to prosecution.

The civil penalties option can be used for the following Housing Act 2004 offences:

- Failure to comply with an improvement notice
- Offences in relation to HMO licensing
- Offences relating to the contravention of an overcrowding notice
- Failure to comply with the HMO management regulations

The council is required to have a policy in place that details when to prosecute and when to consider a civil penalty.

The council must also provide guidance on how the fine levels will be set.

The guidance document issued by DCLG provides details on the considerations that must be taken into account as part of the fine setting process. It places particular emphasis upon the severity of the offence and the landlord's previous record of offending. A scoring mechanism has been devised to reflect the considerations set out in the DCLG guidance. This scoring mechanism is set out below.

When to prosecute and when to consider a civil penalty

The same criminal standard of proof is required for a civil penalty as for prosecution.

Torbay Council will firstly satisfy itself that if the case were to be prosecuted in the magistrates' court, there would be a realistic prospect of conviction.

In order to do so Torbay Council will consider its own enforcement policy, consult the Crown Prosecution Service Code for Crown Prosecutors' and work closely with legal advisors.

Once satisfied that there would be a realistic prospect of conviction a decision will be taken as to whether to prosecute or to issue a civil penalty. All decisions will be taken on a case-by-case basis.

The guidance document issued by DCLG suggests that prosecution may be the most appropriate option where an offence is particularly serious or where the offender has committed similar offences in the past.

It is likely that a civil penalty will be considered as the most appropriate course of action except in the aforementioned circumstances where further consideration will be taken.



Levels of fine to be set

The guidance document issued by DCLG provides the following considerations when determining the level of a civil penalty;

a) **Severity of the offence** - *The more serious the offence, the higher the penalty should be.*

In order to measure the severity of the offence the following criteria will be used;

Level one – Major impact – serious and substantial risk to the health and safety of the occupiers and/or community as a result of the offence, with potentially life threatening results or loss of major limbs. Housing defects posing such a risk may be associated with electrical hazards, carbon monoxide exposure, fire safety risk, explosions, structural collapse and falling elements or significant collision and entrapment issues. They may be associated with hazards assessed under the HHSRS, conditions of an HMO licence or be a failure to comply with the HMO Management Regulations. These examples do not represent an exhaustive list.

For each Level 1 issue considered a score of 5 will be added.

Level two - Serious Impact – serious risk to the health and safety of the occupiers and/or immediate neighbours, potentially leading to serious injury or disease requiring prolonged treatment and/or hospital admission. Housing defects posing such a risk may be associated with collision and entrapment issues, falls, asbestos, biocides or lead exposure, excessively cold or hot conditions, radiation or hot surfaces. They may be associated with hazards assessed under the HHSRS, conditions of an HMO licence or be a failure to comply with the HMO Management Regulations. These examples do not represent an exhaustive list.

For each Level 2 issue considered a score of 3 will be added.

Level three – Minor impact – Risk of injury or disease to the occupiers potentially resulting in treatment at the doctors. Housing defects posing such a risk may be associated with damp and mould issues, overcrowding, hygiene or food safety issues. They may be associated with hazards assessed under the HHSRS, conditions of an HMO licence or be a failure to comply with the HMO Management Regulations. These examples do not represent an exhaustive list.

For each Level 3 issue considered a score of 1 will be added.

A one-off premium of 10 points will be added where any hazard or issue would affect more than 1 household i.e. whole building issues or common parts issues in HMO's. This is to ensure that the scope of the hazard or issue is considered in addition to its ability to harm.

This premium will not be added where the issue relates to HMO Management Regulations as each offence will be an offence in its own right (and therefore the scope of the hazard will have already been accounted for).



b) Culpability and track record of the offender - *A higher penalty will be appropriate where the offender has a history of failing to comply with their obligations and/or their actions were deliberate and/or they knew, or ought to have known, that they were in breach of their legal responsibilities. Landlords are running a business and should be expected to be aware of their legal obligations.*

In order to measure the culpability of the perpetrator the following criteria will be used;

Culpability

Deliberate– An intentional breach by a landlord or property agent or flagrant disregard for the law for example by failing to comply with a notice or regulations or failing to licence a licensable HMO.

For Deliberate acts a score of 20 will be added

Reckless– An actual foresight of, or wilful blindness to the risk of offending but decides to take the risk nevertheless for example failing to comply with a strict liability in the HMO regulations or failing to licence a licensable HMO.

For Reckless acts a score of 15 will be added

Negligent– The failure of the landlord or property agent to take reasonable care to put in place and enforce proper systems for avoiding the offence, for example partial compliance with a schedule of work to an enforcement notice but failure to fully comply with all schedule items.

For Negligent acts a score of 10 will be added

Low or no culpability– The offence committed has some fault on the part of the landlord or property agent but there are other circumstances for example obstruction by the tenant to allow a contractor access for repairs, or damage caused by tenant negligence.

For Low culpability acts a score of 5 will be added

A premium will be added where the requirement to licence a property under Parts 2 or 3 of the Housing Act 2004 has not been complied with.

Where a landlord or person managing fails to obtain a licence without direct contact by Torbay Council requiring them to do so a score of 5 will be added.

Where a landlord or person managing fails to obtain a licence despite direct contact by Torbay Council requiring them to do so a score of 15 will be added.



Track record

1st offence – no previous conviction or civil penalty imposition for the same type of offence in the previous four years irrespective of the locality to which the offence relates.

For 1st offences a score of 10 will be added

2nd subsequent offence by same person/company – any conviction or civil penalty imposition for the same type of offence within four years of the 1st offence, irrespective of the locality to which the initial offence relates.

For 2nd offences a score of 20 will be added

Ongoing non-compliance - any conviction or civil penalty imposition for the same type of offence within four years of the previous instance (at least 3rd occurrence) irrespective of the locality to which the initial offence relates.

For ongoing offences a score of 30 will be added

c) The harm caused to the tenant – *This is a very important factor when determining the level of penalty. The greater the harm or the potential for harm (this may be as perceived by the tenant), the higher the amount should be when imposing a civil penalty.*

The severity of harm calculation above reflects the types of issues encountered however a premium score will be added for actual harm having occurred and the vulnerability of the tenant as set out in the Housing Health and Safety Rating System and in the table below;

Hazard	Vulnerable age group (age of occupant)
Damp and mould growth	14 and under
Excess Cold	65 or over
Excess Heat	65 or over
Carbon Monoxide	65 or over
Lead	under 3 years
Personal Hygiene, Sanitation and Drainage	under 5 years
Falls associated with baths etc.	60 or over
Falling on level surfaces etc.	60 or over
Falling on stairs etc.	60 or over
falling between levels	under 5 years
Electrical hazards	under 5 years
Fire	60 or over
Flames, hot surfaces etc.	under 5 years
Collision and entrapment	under 5 years
Collision and entrapment - low headroom	16 or over
Position and operability of amenities etc.	60 or over

A score of 10 will be added where the occupiers have suffered harm due to the defects noted.

A score of 3 will be added for each hazard or issue noted where the vulnerable age group are present



d) Punishment of the offender – *A civil penalty should not be regarded as an easy or lesser option compared to prosecution. While the penalty should be proportionate and reflect both the severity of the offence and whether there is a pattern of previous offending, it is important that it is set at a high enough level to help ensure that it has a real economic impact on the offender and demonstrates the consequences of not complying with their responsibilities.*

Following the initial scoring calculation consideration will be given as to whether or not this element has been suitably met. If necessary, the final charge may be more than the charge set out in the scoring chart. If there is a decision to increase the fine level the reasoning behind the decision will be clearly set out in the Notice of Intent and any Final Notice.

e) Deter the offender from repeating the offence – *The ultimate goal is to prevent any further offending and help ensure that the landlord fully complies with all of their legal responsibilities in future. The level of the penalty should therefore be set at a high enough level such that it is likely to deter the offender from repeating the offence.*

Following the initial scoring calculation consideration will be given as to whether or not this element has been suitably met. If necessary, the final charge may be more than the charge set out in the scoring chart. If there is a decision to increase the fine level the reasoning behind the decision will be clearly set out in the Notice of Intent and any Final Notice.

f) Deter others from committing similar offences – *While the fact that someone has received a civil penalty will not be in the public domain, it is possible that other landlords in the local area will become aware through informal channels when someone has received a civil penalty. An important part of deterrence is the realisation that (a) the local housing authority is proactive in levying civil penalties where the need to do so exists and (b) that the level of civil penalty will be set at a high enough level to both punish the offender and deter repeat offending.*

Following the initial scoring calculation consideration will be given as to whether or not this element has been suitably met. If necessary, the final charge may be more than the charge set out in the scoring chart. If there is a decision to increase the fine level the reasoning behind the decision will be clearly set out in the Notice of Intent and any Final Notice.

g) Remove any financial benefit the offender may have obtained as a result of committing the offence – *The guiding principle here should be to ensure that the offender does not benefit as a result of committing an offence, i.e. it should not be cheaper to offend than to ensure a property is well maintained and properly managed.*

Following the initial scoring calculation consideration will be given as to whether or not this element has been suitably met. In particular the fine level must not be less than it would cost to undertake any necessary works contributing to the initial offence. The inspecting officer will evaluate the cost of rectifying the deficiencies based upon their knowledge and experience of the local building industry. A costing sheet will be produced and any fine must be at least 50% greater than this total up to a limit of £30K. In such circumstances the final charge may be more than the charge set out in the scoring chart. If there is a decision to increase the fine level the reasoning behind the decision will be clearly set out in the Notice of Intent and any Final Notice.



Reductions

Level of compliance by perpetrator, their attitude in doing so and payment early payment - Where the decision has been taken that a prosecution is appropriate or subsequently a civil penalty notice should be issued, it is unlikely that the perpetrator could be deemed compliant however if there is a clear behavioural change and a will to ensure future compliance, followed by a payment within the prescribed 28 days a reduction of 10% may be attributed to the total.

Financial hardship - Local housing authorities should make an assessment of a landlord's assets and any income (not just rental income) they receive when determining an appropriate penalty. The perpetrator will have the opportunity to make representations following the service of the Notice of Intent and may decide to set out any financial hardship in those representations. It will be for the perpetrator to provide sufficient documented evidence of income when relying upon such representations. The Council reserves the right to request further information to support any financial claim, and where this is incomplete, appears to be inaccurate or is not sufficiently evidenced may determine that the representation should not be considered. It should be noted that due to the average value of property in the Torbay area and the upper limit of £30K associated with any civil penalty action, it is unlikely that perpetrators with multiple properties will be able to demonstrate financial hardship.



Examples

Person A has failed to comply with an improvement notice containing 6 hazards; Excess Cold, Fire Safety, Falls on Stairs, Electrical hazards, Damp and Mould and Entry by Intruders (2 at level 1, 2 at level 2 and 2 at level 3). They were prosecuted for failing to comply with an improvement notice 3 years ago at a different address. The occupant is a 67 year old lady who has recently been in hospital with pneumonia.

Scoring;

Severity of the offence = $2 \times 5 + 2 \times 3 + 2 \times 1 = 18$

Multiple households affected = 0

Culpability - Deliberate as failed to comply with notice = 20

Premium added for Licensable HMO = 0

Track record – 2nd offence in 4 years = 20

Harm – Pneumonia (excess cold) = 10

Vulnerability – excess cold, falls on stairs & fire $3 \times 3 = 9$

Total = 77

Penalty charge = £15,001 - £20,000

Once the Notice of intent is served the perpetrator engages positively with the LA. They accept the charge and pay within 28 days.

Reductions = Compliance, attitude, acceptance and early payment –10%

Subtotal = £13,501 - £18,000

Person B has failed to licence a licensable HMO. She was written to following an initial visit 1 month ago advising that a licence was necessary. The property needs some attention however no notices have been served and it is not considered that the HMO management regulations have been breached. There is no history of non-compliance in the past.

Scoring;

Severity of the offence = 0

Multiple households affected = 0 (despite housing multiple households, there is no hazard or issue affecting health or wellbeing)

Culpability - Reckless = 15

Premium added for failure to licence = 15

Track record – 1st offence = 10

Harm – non demonstrated = 0

Vulnerability = 0

Total = 40

Penalty charge = £2,001 - £5,000



Person C is the person managing a poorly converted HMO. During an inspection 3 contraventions of the HMO management Regulations are noted. There are 1 at level 1, 1 at level 2 and 1 at level 3. The landlord was written to recently at another HMO to remind him of the need to comply with the management regulations at all of his properties.

*each management regulation failure is an offence in its own right therefore there will be 3 civil penalties.

Scoring;

Civil penalty 1 (Level 1 issue);

Severity of the offence = 5

Multiple households affected = 0 (not applicable for Management Regulation offences)

Culpability - Reckless as failed to comply with HMO Management Regs = 15

Premium added for Licensable HMO = 0

Track record – 1st offence despite recent advice = 10

Harm – non demonstrated = 0

Vulnerability – none noted = 0

Total = 30

Penalty charge = £1,001 - £2,000

Civil Penalty 2 (Level 2 issue);

Severity of the offence = 3

Multiple households affected = 0 (not applicable for Management Regulation offences)

Culpability - Reckless as failed to comply with HMO Management Regs = 15

Premium added for Licensable HMO = 0

Track record – 1st offence despite recent advice = 10

Harm – non demonstrated = 0

Vulnerability – none noted = 0

Total = 28

Penalty charge = £501 - £1,000

Civil Penalty 3 (Level 3 issue);

Severity of the offence = 1

Multiple households affected = 0 (not applicable for Management Regulation offences)

Culpability - Reckless as failed to comply with HMO Management Regs = 15

Premium added for Licensable HMO = 0

Track record – 1st offence despite recent advice = 10

Harm – non demonstrated = 0

Vulnerability – none noted = 0

Total = 26

Penalty charge = £501 - £1,000



Person D has failed to comply with an improvement notice requiring an excess cold hazard to be addressed. This is the 1st time the LA has had any engagement with the landlady who claims that she has had difficulty organising the works and gaining access. A young family occupy the property.

Scoring;

Severity of the offence = $1 \times 3 = 3$

Multiple households affected = 0

Culpability - Deliberate unless evidence to the contrary = 20

Premium added for Licensable HMO = 0

Track record – 1st offence = 10

Harm – non demonstrated = 0

Vulnerability = 0

Total = 33

Penalty charge = £1,001 - £2,000

However the cost of the works required by the notice is estimated to be £3K

In order not to undermine consideration g (above) the charge will be a minimum of £4500

Once the Notice of Intent is served Landlady makes representations suggesting that she would suffer financial hardship. She has 3 properties and the income is her only income.

Person C has assets in the form of property from which she would be able to derive funds to pay the charge. No reduction is made.

Person E has failed to licence a licensable HMO. During the initial inspection 3 contraventions of the HMO management Regulations are noted. There are 1 at level 1, 1 at level 2 and 1 at level 3. Despite being written to no action has been taken to rectify the issues or licence the property. In the past 8 years, Person E has been prosecuted on 2 other occasions for a similar offences at neighbouring local authorities, the most recent within the last 4 years.

*each management regulation failure is an offence in its own right therefore there will be 4 civil penalties.



Scoring;

Civil Penalty 1 (No licence)

Severity of the offence = 0

Multiple households affected = 0 (despite housing multiple households, there is no hazard or issue affecting health or wellbeing due to lack of licence)

Culpability - Deliberate for failure to licence = 20

Premium added for failure to licence = 15

Track record – 3rd offence = 30

Harm – non demonstrated = 0

Vulnerability = 0

Total = 65

Penalty charge = £10,001 - £15,000

Civil penalty 2 (Level 1 issue);

Severity of the offence = 5

Multiple households affected = 0 (not applicable for Management Regulation offences)

Culpability - Reckless as failed to comply with HMO Management Regs = 15

Premium added for Licensable HMO = 0

Track record – 3rd offence = 30

Harm – non demonstrated = 0

Vulnerability – none noted = 0

Total = 50

Penalty charge = £5,001 - £10,000

Civil penalty 3 (Level 2 issue);

Severity of the offence = 3

Multiple households affected = 0 (not applicable for Management Regulation offences)

Culpability - Reckless as failed to comply with HMO Management Regs = 15

Premium added for Licensable HMO = 0

Track record – 3rd offence = 30

Harm – non demonstrated = 0

Vulnerability – none noted = 0

Total = 48

Penalty charge = £2,001 - £5,000



Civil penalty 4 (Level 3 issue);
Severity of the offence = 1
Multiple households affected = 0 (not applicable for Management Regulation offences)
Culpability - Reckless as failed to comply with HMO Management Regs = 15
Premium added for Licensable HMO = 0
Track record – 3rd offence = 30
Harm – non demonstrated = 0
Vulnerability – none noted = 0

Total = 46

Penalty charge = £2,001 - £5,000

Scoring Chart

Score	Penalty Charge
1-9	£1 - £250
10-19	£251 - £500
20-29	£501 - £1,000
30-39	£1,001 - £2,000
40-49	£2,001 - £5,000
50-59	£5,001 - £10,000
60-69	£10,001 - £15,000
70-79	£15,001 - £20,000
80-89	£20,001 - £25,000
90-100+	£25,001 - £30,000