



Department for
Communities and
Local Government

Tackling rogue landlords and HMO reforms

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NATIONAL
HMO
NETWORK



Tackling rogue landlords

- In May PM announced commitment to tackling rogue landlords and extending licensing of HMOs.
- Since then considerable rapid progress has been made.
- The rogue landlord provisions in the Housing and Planning Bill have been debated in the House of Commons.
- We published our discussion paper on HMOs on 6 November.

And we announced a further rogue landlord funding programme on 10 November.



Key features in Housing and Planning Bill

- Bill introduces new tools to enable local authorities to tackle rogue landlords.
- Also amends the current licensing regime with respect to the fitness of landlords.
- Introduces civil penalties as alternative to criminal sanctions for certain offences.
- Extends the grounds on which tenants, and where housing benefit has been paid, local authorities can apply for a Rent Repayment Order.

Allows local authorities to access tenancy deposit data to help identify rented properties in their area.

Measures in the Bill complement the proposals relating to HMOs.



Rogue landlord provisions

- New measures that will enable local authorities to place, for a minimum of two years, landlords and letting agents who have committed banning order offence on a rogue landlord database.
- Before a person is entered on the database they must be informed of the proposal and have a right of appeal against the local authority decision.
- In the most serious cases the local authority can apply to a tribunal for a banning order which could, subject to certain exemptions, prohibit the person from acting as a letting agent, being involved in property management or letting properties as a landlord.
- Before an application is made the local authority must give the person the opportunity to make representations.



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- A person can be banned for a minimum of six months from the specified activity .
- It is proposed it will be a criminal offence, subject to a fine or prison sentence, to carry out a banned activity when the person is banned from doing so.
- Where a landlord is banned the local authority can make a management order in respect of it.
- In that case the any expenses incurred by the local authority can be paid out of rental income and if there is any surplus the local authority is entitled to keep it.



Civil penalties

- Under the Housing Act 2004 all housing offences need to be prosecuted for in the magistrates' courts and although most are now subject to an unlimited fine, the local authority is unable to keep the fine.
- The Bill provides that certain offences will now be subject to a civil penalty procedure, which is an alternative to prosecution.
- The offences include not complying with an improvement notice, breaching an overcrowding notice and licensing offences under the Housing Act 2004
- Before imposing a penalty the local authority will need to write to the landlord explaining what it intends to do and why.



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- If after considering representations it still decides to charge the penalty it must serve a final notice requiring payment.
- The landlord can appeal to the tribunal about whether the penalty should have been imposed or about the amount being charged.
- The maximum amount that can be charged is £5000 and £2000 for a breach of an overcrowding notice.
- Importantly the local authority will be able to retain fines received through a civil penalty.





Rent Repayment Orders

- ▶ Rent Repayment Orders were introduced under the Housing Act 2004. A local authority or a tenant can apply to the First Tier Tribunal for a RRO where a landlord has committed an offence.
- ▶ The landlord can be required to repay up to 12 months rent. Where the rent has been paid through Housing Benefit or universal credit that money can be retained by the local authority and used for housing purposes
- ▶ Rent Repayment Orders are currently available where a landlord has failed to obtain a licence for a licensable property. Measures in the Housing and Planning Bill extend their use. In future, they will also be available where:
 - ▶ a tenant has been illegally evicted or harassed, or the landlord used violence to obtain entry to the property;
 - ▶ a landlord has committed an offence such as failing to comply with a statutory notice -i.e. an Improvement Notice; or breached a banning order



HMO reforms

- ▶ The technical discussion paper published on 6 November seeks views on:
 - Two options for extending licensing to cover HMOs comprising of (a) a single storey or more, or (b) two or more storeys only.
 - The extent to which flats in multiple occupation should be brought within scope.
 - Whether mandatory licensing should cover poorly converted blocks of flats.
 - Whether it would be necessary to introduce national minimal room sizes for bedsits and bedrooms.
 - A proposal to remove the exemption from letting property to relatives from selective licensing as this is a source of abuse and a possible cover for housing illegal migrants below the radar.
 - Proposals for streamlining the application process for obtaining a property licence to reduce burdens on landlords, particularly those who make multiple applications to the same local authority.

- ▶ We are also very interested to see evidence on the number of HMOs that would be subject to mandatory licensing under options for extension.



HMO reforms- Consultation and timetable

- The closing date for responses is 18 December.
- Primarily the current discussion paper is a call for evidence on the numbers of HMOs and the effectiveness of licensing.
- We urge all local authorities, landlords and other interested people/organisations to reply to the paper.
- The Government will consider the evidence received, including the costs and new burdens of extending licensing.
- Should Government be minded to extend licensing, we would anticipate publishing further detail in the new year with a view to introduction in 2016.
- So far and surpassingly respondents are indicating that there about the same type of problems or less problems in unlicensed HMOs than licensed ones.



Rogue Landlord Fund 2015-2016

- ▶ Up to **£5 million** has been made available to tackle the problems posed by dangerous and persistent criminal landlords who endanger tenants and undercut honest landlords.
- ▶ **65 Local authorities** have been invited to apply for funding by taking into account:
 - ▶ the size of their private rented stock, including whether they have a relatively large number of Houses in Multiple Occupation.
 - ▶ whether the local authority is known to have particularly acute and complex problems with rogue landlords, including areas identified by Home Office as migration hotspots.
- ▶ Applications must be submitted to DCLG via Survey Monkey before the deadline of **2 December 2015**.



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Rogue Landlord Fund 2015-2016 - assessment and outputs

Funding will be awarded to local authorities who can demonstrate that their proposals:

- Offer Value for Money
- Can be delivered before 31 March 2016

The fund will enable successful local authorities to target rogue landlords specifically and:

- Increase inspections of property
- Issue more notices
- Carry out more raids
- Increase enforcement action and prosecutions
- Survey more streets
- Demolish sheds and prohibit buildings