FIRST - TIER TRIBUNAL

PROPERTY CHAMBER

(RESIDENTIAL PROPERTY)

Case Reference	:	HAV/00LC/HNA/2026/0024
Property	:	19 Otway Street, Chatham, Kent, ME4 5PG
Appellant	:	Homelet PMS Ltd (trading as Linda Matthews Lettings)
Representative	:	Mr Tommy Verrall
Respondent	:	Medway Council
Representative	:	Mr Lenehan, Medway Council
Type of Application	:	Appeal against a financial penalty - Section 249A & Schedule 13A to the Housing Act 2004
Tribunal Members	:	Tribunal Judge Bowden Tribunal Member Mr P Cliffe-Roberts FRICS
Venue	:	CVP
Date of Hearing		29 October 2026
Date of Decision	:	19 November 2026

DECISION

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This is a formal order of the Tribunal which must be complied with by the parties.

Communications to the Tribunal MUST be made by email to rpsouthern@justice.gov.uk. All communications must clearly state the Case Number and address of the premises.

Summary of Decision

(1) The Tribunal varied the financial penalty to £6,750

Background

1. The Appellant is Homelet PMS Limited (company number 03084870), whose registered address is 16 Luton Road, Chatham, Kent, ME4 5AA. The directors are Maria Garlik and Linda Matthews.
2. Homelet PMS Limited were the managing agent for 19 Otway Street (the Property); it was not the owner of the property.
3. The Notice of Financial Penalty is dated 7 January 2026.
4. On 27 January 2026, the Tribunal received an appeal from the Applicant against a Financial Penalty made under section 249A of the Housing Act 2004 ("the 2004 Act").
5. On 26 June 2026, the Tribunal issued directions dated 29 June 2026. In the directions dated 26 June 2026, the Tribunal recorded that it considered the Applicant to be the Company rather than the individual and invited the parties, if they disagreed, to include representations within their statements of case.
6. Neither party included in their statements of case that they did not agree with the Tribunal treating the appeal as made by a company rather than an individual.
7. On 25 August 2026, the Tribunal vacated the 10 September 2026 hearing and re-listed the case on 29 October 2026.

8. On 02 October 2026, the Tribunal refused the respondent's application to strike out the appeal, and the matter remained listed for hearing on 29 October 2026.

9. The Appeal was heard on 29 October 2026 at 2 pm by CVP. The Tribunal had a 355-page bundle, prepared by Medway Council. During the hearing, it became clear that the Appellants 47-page reply document had not been included. Appellant's 47-page reply has been sent to the Tribunal and Medway (albeit Mr Lenehan said it was sent to the wrong email address). The Tribunal obtained a copy from the Tribunal file. Mr Lenehan was given 14 days after the hearing to consider and respond to the documents. Mr Lenehan made no submissions.

The Hearing

10. The Appellant was represented by Mr Verrall at the hearing, and the Respondent was represented by Mr Lenehan. Ms Salter of Medway Council also attended.

11. On 29 October 2026 at 08:18, Ms Garlick, for the Appellant and its director, contacted the Tribunal. She informed the Tribunal that she was ill but was happy that Tommy Verrall represented her.

<u>Preliminary Issue</u>

12. At the start of the hearing, the Tribunal updated the Respondent and set out:

    a. There was no officer from the company present

    b. Ms Garlick was not available

    c. Mr Verrall, who was not a director, was proposed as a representative for the Application.

13. The Tribunal heard from both representatives to address whether the matter should proceed today. Mr Lenehan opposed an adjournment, citing a history of delay and non-compliance. Mr Verrall said he was not seeking an adjournment and was able to proceed.

14. The Tribunal asked Mr Verrall:

    a. Was he familiar with the case

    b. Had he read the bundle

    c. Was he able to proceed

    d. Did he have authority to act for the company

    e. Could he represent the company at the hearing where he did not have a director to provide instructions

15. Mr Verrall informed the Tribunal:

    a. He was very familiar with the case, having been involved in the preparation of the appeal

    b. He had not read this version of the bundle, but he knew the documents, and if afforded time to find the document in the bundle, he was happy he was familiar enough.

    c. He was in a position to proceed.

    d. He did have authority.

    e. He was satisfied that he could proceed where he did not have a director to provide instructions.

16. The Tribunal considered the parties' positions and, in light of Mr Verrall not seeking an adjournment, Ms Garlick's email permitting Mr Verrall to represent the company, and Mr Verrall's assurance that he could represent the Applicant, proceeded with the hearing.

<u>The Improvement Notice</u>

17. On 12 February 2025, the following were served on Homelet PMS Ltd trading as Linda Matthews Lettings and Company (Linda Mathews Estate Agents/ Linda Matthews Lettings) of 14-16 Luton Road. Chatham, Kent ME4 5AA :

    a. the Improvement Notice dated 12 February 2025, the following were included:

        i. There were 7 hazards

ii. The commencement date for remedial work 19 March 2025

iii. The completion date for remedial work 18 April 2025

iv. The "General specification regarding the above works document was included

v. The "Notes" were included

b. 'Section 8 Statement of Reasons for service of an Improvement Notice in respect of residential premises'.

c. 'Notice of Demand for Payment of a Charge for Enforcement Action'.

d. The 'Notes'.

18. A Certificate of service was provided for the 12 February 2025 Improvement Notice.

19. On 18 June 2025, a non-compliance letter was sent to Homelet PMS Ltd trading as Linda Matthews Lettings and Company (Linda Mathews Estate Agents/ Linda Matthews Lettings) of 14-16 Luton Road. Chatham, Kent ME4 5AA.

20. On 18 November 2025, Paul Salter signed a 'Notice of Intent to Impose a Financial Penalty for certain housing offences in England, Failing to comply with an Improvement Notice'. In Ms Salter's witness statement, confirms that the notice was served.

21. The seven hazards were:

a. **Damp and Mould Growth:** Mould growth in bedrooms, kitchen and bathroom areas.

b. **Excess Cold:** Blown seals to the first-floor front bedroom window, reducing thermal efficiency.

c. **Uncombusted Fuel Gas:** Leaking boiler flue and absence of an up-to-date Gas Safety Certificate (CP12).

d. **Personal Hygiene, Sanitation and Drainage:** Gaps around bath panels and failed sealant allowing moisture penetration and damp growth.

e. **Falling on Stairs etc:** Absence of a handrail on the basement stairs, increasing the risk of falls.

f. **Electrical Hazards:** Absence of a current electrical certificate for the property at the time of inspection.

g. **Fire:** The basement was being used as an office, with electrical equipment present and dampness from a previous leak, creating a fire risk.

The Appellants' case

22. The Appellant, Homelet PMS Ltd trading as Linda Matthews Lettings, appeals against the £18,000 financial penalty imposed by Medway Council for failure to comply with an Improvement Notice relating to 19 Otway Street, Chatham (the Property).

23. The Property is a mid-terrace property with a basement.

24. The Appellant, Homelet PMS Ltd trading as Linda Matthews Lettings, appeals against the £18,000 financial penalty imposed by Medway Council for failure to comply with an Improvement Notice relating to the Property.

25. The Grounds of Appeal are:

    a. Procedural unfairness and failure to communicate

    b. Evidence of cooperation and good faith not properly considered

    c. Failure to properly consider the Appellant's role and responsibilities

    d. Disproportionality of the financial penalty

    e. Failure to properly exercise discretion

26. The Appellant accepts that defects existed at the property and does not seek to minimise the seriousness of the identified hazards but

contends that the Council has mischaracterised its conduct and failed to give proper weight to the steps it took to investigate and address the issues. The Appellant maintains that, as managing agent rather than owner, its ability to carry out substantial works depended upon obtaining authority and funding from the landlord.

27. It submits that it was actively managing the property throughout the relevant period and arranged numerous investigations and repairs, including gas safety and boiler works in August 2024, roof repairs in September 2024 and April 2025, an Electrical Installation Condition Report and associated remedial works in November 2024, further boiler works, ceiling repairs, and additional roofing works.

28. It also commissioned an independent damp assessment, which concluded that condensation, clutter, limited ventilation, and occupation patterns significantly contributed to the mould problems. However, a roof leak was also identified.

29. The Appellant relies on maintenance records showing expenditure of at least £3,545.14 and contends that these works demonstrate ongoing efforts to remedy defects rather than indifference to the property's condition.

30. The Appellant further contends that repeated attempts to engage with Council officers by telephone and email went unanswered, making it difficult to obtain guidance, clarifications, and extensions of time. It relies on correspondence sent before the Final Notice and argues that the Council failed to properly consider its representations and mitigating circumstances.

31. The Appellant submits that any non-compliance arose from a combination of communication difficulties, organisational inexperience with housing enforcement proceedings and the practical limitations of its role as managing agent, rather than deliberate disregard of its obligations.

32. It argues that the Council, in determining the level of fine, gave excessive weight to its enforcement history, failed to adequately

distinguish between a managing agent and a landlord, and imposed a penalty disproportionate to its culpability, means and conduct.

33. The Appellant invited the Tribunal to cancel the financial penalty in its entirety or, alternatively, reduce it substantially to reflect its remedial efforts, limited control over expenditure, financial circumstances, and the mitigating factors relied upon in the appeal.

The Respondent's case

34. The Respondent, Medway Council, contends that the financial penalty was properly imposed because the recipients of the Improvement Notice failed to complete the required remedial works within the compliance period, despite having ample opportunity to do so.

35. The Council maintains that the hazards identified at 19 Otway Street, Chatham, including damp, mould, water ingress, electrical deficiencies and heating-related issues, posed risks to the occupiers and that compliance with the Improvement Notice was mandatory.

36. It argues that the Appellant's status as managing agent does not absolve it of responsibility where it was a person on whom the Notice was served and submits that the works said to have been undertaken did not amount to compliance with the Notice.

37. The Council further asserts that it calculated the penalty in accordance with its published policy, taking account of the seriousness of the offence, culpability and deterrence, and that the amount imposed is reasonable, proportionate and should be upheld.

38. The Respondent says the issues for determination are:

> **Issue 1:** Whether the Improvement Notice was validly served, became operative, required the specified works to be commenced by 19 March 2025 and completed by 18 April 2025, and was not complied with by the Applicant.
>
> **Issue 2:** Whether the Respondent complied with the requirements and procedures for the imposition of the financial

penalty under section 249A and paragraphs 1 to 8 of Schedule 13A to the Housing Act 2004.

Issue 3: Whether any matter raised by the Applicant, whether or not expressly pleaded as such, establishes a reasonable-excuse defence on the balance of probabilities.

Issue 4: Whether the Tribunal is satisfied, beyond reasonable doubt, that the Applicant's conduct amounted to a relevant housing offence in respect of the Property.

Issue 5: Whether the Applicant's asserted role as managing agent affects its responsibility for compliance with the Improvement Notice or its liability for the relevant housing offence.

Issue 6: Whether £18,000 is an appropriate financial penalty, having regard to the Applicant's means, the severity of the offence, culpability and track record, harm or risk of harm, mitigation, deterrence and any financial benefit derived from the offence.

Issue 7: Whether the Final Notice should be confirmed, varied or cancelled.

The Evidence

Ms Salter

39. In her witness statement, Ms Salter said that on 11 June 2025, a PSH Officer inspected the property. During the inspection, it was noted that some remedial work required under the 12 February 2025 improvement notice was outstanding.

40. Ms Salter gave the following evidence, in summary:

    a. There had been several cases involving Homelet and Medway.

    b. Homelet had made complaints regarding Medway's handling of improvement notices involving the Appellant.

    c. Under the matrix for seriousness and severity, Medway had placed this breach in the severe category, with high culpability.

d. It was accepted that the scoring matrix in the bundle was not the one in effect when the fine was imposed.

e. An explanation was not offered as to why Medway, when determining severity, had said there was a significant track record with Homelet; it was accepted that, at the relevant time, 19 Otway was the second case.

f. It was not accepted that Medway had failed to communicate with Homelet, causing unfairness.

g. It was not accepted that the contents of the bedroom prevented the window from being opened.

h. The lack of ventilation was the landlord's problem, and the tenant's behaviour would not be considered when carrying out the HHRS inspection.

i. It was not accepted that the large, heated fish tanks with no lids would have increased moisture in the building; "tenants' behaviour" would not be considered. It was put that the independent damp inspection had found the damp was entirely tenant-caused; Ms Salter would not commit either way without evidence.

Mr Verrall

41. As Mr Verrall was not a company officer, he was not in a position to give evidence for the company.

Submissions (in summary)

The Respondent

42. The Improvement Notice was validly served. It had not been complied with; therefore, the Appellant was in breach. The fine imposed by the council was appropriate and should not be interfered with.

The Appellant

43. The council failed to engage with the Appellant, which was unreasonable; the fine should be quashed, or alternatively reduced.

The Law

44. The relevant law is set out in Annex 1.

45. The case of Tabassam v Manchester City Council [2024] UKUT 93 (LC) provides a useful summary:

> *Improvement notices*
>
> *3. Part 1 of the Housing Act 2004 established a Housing Health and Safety Rating System, and requires local housing authorities to enforce housing standards in their area. Provision is made for category 1 and category 2 hazards to be defined in regulations, category 1 being those presenting a more serious risk; the regulations are the Housing Health and Safety Rating System (England) Regulations 2005.*
>
> *4. Sections 5 and 7 of the 2004 Act give the local housing authority a duty to take enforcement action in relation to category 1 hazards, and a power to do so in relation to category 2 hazards on any residential premises; the available enforcement actions range from an improvement notice to a demolition order.*
>
> *5. Sections 11 and following make provision about improvement notices, which are to specify the hazard to which they relate, to state what remedial action is required, and to say by when the work must commence and by when it must be completed. Section 30(1) provides that a person upon whom an improvement notice was served commits an offence if he fails to comply with it, and section 30(5) says that in proceedings against such a person it is a defence that he had a reasonable excuse for failing to comply with the notice.*
>
> *Financial penalties*

6. Section 249A of the Housing Act 2004 enables a local housing authority to impose a financial penalty, often referred to as a civil penalty or financial penalty, upon a person if it is satisfied beyond reasonable doubt that he or she has committed any of the housing offences listed in that section, as an alternative to prosecution. Among the offences listed are the offence under section 30 of the 2004 Act of failure to comply with an improvement notice. Paragraph 10 of Schedule 13A to the 2004 Act makes provision for appeal to the First-tier Tribunal against the decision to impose a civil penalty and the amount of that penalty. The appeal is a re-hearing and the FTT is to make its own decision whether to impose a penalty and about the amount of the penalty.

*7. In making that decision the FTT must give special regard to the local housing authority's enforcement policy and will normally follow it. But it is not bound by that policy, and may depart from it but must give reasons for doing so (**London Borough of Waltham Forest v Marshall [2020] UKUT 35 (LC)**).*

46. There is a defence of reasonable excuse; the Appellant would have to satisfy the Tribunal on the balance of probabilities that it had a reasonable excuse.

Consideration

Burden and standard of proof

47. The burden is on the Council to satisfy the Tribunal beyond a reasonable doubt that the Appellant committed an offence under section 30.

48. The Tribunal has considered the issues.

Issue 1: Whether the Improvement Notice was validly served, became operative, required the specified works to be commenced by 19 March 2025 and completed by 18 April 2025, and was not complied with by the Applicant.

49. The Appellant did not dispute or challenge the chronology or service of the mandatory notices.

50. The Appellant accepted that not all works required by the Improvement Notice had been completed by the compliance date.

51. The Tribunal is satisfied that the Improvement Notice was validly served, became operative, required the specified works to be commenced by 19 March 2025 and completed by 18 April 2025, and was not complied with by the Applicant.

Issue 2: Whether the Respondent complied with the requirements and procedures for the imposition of the financial penalty under section 249A and paragraphs 1 to 8 of Schedule 13A to the Housing Act 2004.

52. The Appellant did not dispute or challenge the chronology or service of the mandatory notices.

53. The Tribunal is satisfied that the Respondent complied with the requirements and procedures for the imposition of the financial penalty under section 249A and paragraphs 1 to 8 of Schedule 13A to the Housing Act 2004

Issue 3: Whether any matter raised by the Applicant, whether or not expressly pleaded as such, establishes a reasonable-excuse defence on the balance of probabilities.

54. The Appellant is the landlord's agent and could well have its authority limited by the management agreement between them. The Appellant did not produce a copy of the agreement.

55. The Appellant is the landlord's agent and could not carry out capital repairs without authority and funds from the landlord. The Appellant produced no evidence of the scope of their authority.

56. The Tribunal accepts the Appellant's evidence that it did attempt to address the defect identified in the Improvement Notice. The Tribunal accepts the Appellant's evidence indicates an ongoing effort to investigate, repair and manage the remedial work identified in the Improvement Notice rather than ignore them.

57. The Tribunal is not satisfied that the Appellant has a reasonable excuse because

    a. it has not produced any evidence of the property owner preventing compliance.

    b. it did not take any steps to appeal or revoke the Improvement Notice served on it. Instead, in its case, it called the Respondent hundreds of times even though it got no answer.

Issue 4: Whether the Tribunal is satisfied, beyond reasonable doubt, that the Applicant's conduct amounted to a relevant housing offence in respect of the Property.

58. The Appellant accepted that not all works required by the Improvement Notice had been completed by the compliance date.

59. The Tribunal has not found that there was a reasonable excuse.

60. The Tribunal is satisfied, beyond reasonable doubt, that the Applicant's conduct amounted to a relevant housing offence in respect of the Property, being s30(1) of the 2004 Act.

> *Where an improvement notice has become operative, the person on whom the notice was served commits an offence if he fails to comply with it.*

Issue 5: Whether the Applicant's asserted role as managing agent affects its responsibility for compliance with the Improvement Notice or its liability for the relevant housing offence.

61. The Tribunal does accept that it is likely that a managing agent will have limits on its ability to put all the remedial work in the Improvement Notice into effect, especially where the remedial work required capital repairs, capital outlay, or simply funds to finance those repairs. A managing agent is an agent and must act on instructions.

62. That said, the Appellant did not produce a copy of its agreement nor any correspondence with the Property owner indicating who they had

tried to get the property owner to agree to/fund the work required under the Improvement Notice.

Issue 6: Whether £18,000 is an appropriate financial penalty, having regard to the Applicant's means, the severity of the offence, culpability and track record, harm or risk of harm, mitigation, deterrence and any financial benefit derived from the offence.

63. The Tribunal is not satisfied that £18,000 is an appropriate financial penalty. This is because

    a. The Respondent was unable to articulate its reasons for the culpability or the track record scoring.

    b. The Respondent did not produce the matrix in effect at the relevant time.

64. The Appellant challenged the scoring of Culpability High and Track Record Significant. On the Statement of Reasons, it says:

    Culpability

    Justification: High

    …had foresight of a potential offence but decided not to take appropriate and or timely action to fully comply with the improvement notice dated 12 February 2025

    Track Record

    Justification: Significant

    Housing condition complaints have been received in respect of numerous properties associated with… [the Appellant]… evidence logged in records held

65. The Tribunal is not satisfied that the Appellant can be 'high' culpability. On the Respondent's Statement of Reasons, 'high' only applies where offences are committed where the offender had foresight of a potential offence but, through wilful blindness, decided not to take appropriate and/or timely action. The Tribunal is not

satisfied that the Appellant displayed wilful blindness. The Tribunal finds that the appropriate level of culpability is 'medium'.

66. The Tribunal is not satisfied that the Appellant can be 'Track Record 'significant'". On the Respondent's own Statement of Reasons, 'significant' is where

> *Where there is evidence of multiple enforcement interventions by the council's private sector housing team, together with evidence of noncompliance, the significant category will be used. In most cases, this category will be used for any offender who has been successfully prosecuted for a housing offence or been subject to housing related financial penalty.*

67. In the Statement of Reasons, the Respondent indicated that evidence was logged in the records it held. The Respondent has failed to produce that evidence.

68. The Tribunal has considered the category of 'Some' and 'None or Negligible'.

    a. Is the category of 'Some' appropriate? The respondent has not produced any evidence that, at the relevant time, the Appellant was associated with more evidence than would normally be expected of a good landlord or agent, having regard to the size and nature of their portfolio. Further, the respondent did not produce any evidence of statutory enforcement action relating to other properties.

    b. Is the category of 'none or negligible appropriate'? Following a review of the council's documents, there is no relevant evidence associated with the offender. Any unsubstantiated housing condition complaints are disregarded. The policy says the descriptor negligible has been included to allow for a fair and reasonable review of evidence in respect of landlords and agents with the larger portfolio; therefore, if the evidence is negligible, having regard to the size of the portfolio in this category will be used.

69. The Tribunal is satisfied, having regard to the respondent's own policy, that the appropriate category for track record is 'None or negligible'.

70. It was accepted by Mr Verrall that the portfolio did exceed 20 units. The Tribunal is satisfied that portfolio size should be treated as 20 or more units.

71. Although, in terms of risk of harm, the level was not specifically challenged, an appeal occurs by way of rehearing, and as risk of harm forms part of the basis of the fine, the Tribunal must consider it. The Statement of Reasons includes an explanation of the levels:

> *Level 2: The use of this category may infer that the offence was associated with an extreme harm outcome, but the likelihood of a harmful offence occurring was low. This category may be used when the risk of harm related to a severe outcome and the likelihood of a harmful event occurring was medium this category may also be used when the risk of harm related to a serious harm outcome and the likelihood of harmful event occurring was high.*
>
> *Level 3: the use of this category may infer that the offence was associated with an extreme harm outcome and the likelihood of a harmful event occurring was medium. This category may also be used when the risk of harm related to a severe harm outcome and the likelihood of harmful event occurring was high.*

a. The respondent says that Level 3 is justified on the basis that the Appellant had not undertaken remedial works by 19 April 2025 to fully comply with the Improvement Notice dated 12 February 2025. It says Level 3 was achieved as the offence was i) associated with a severe harm outcome, ii) the likelihood of a harmful event occurring was high, and iii) the Appellant had failed to carry out the required remedial works, which were then listed.

b. The Respondent has not specified what it is in its list of outstanding remedial works that represented a severe harm outcome and why the likelihood of a harmful event occurring was high.

c. Given the lack of detailed explanation for its justification, the Tribunal is not satisfied that this is a Level 3 risk of harm; the risk of harm is more likely than not to fall in the bracket of Level 2, where there is a risk of harm related to a severe outcome and the likelihood of that harmful event occurring was medium.

d. In terms of mitigating factors on the Statement of Reasons, the Respondent said there is no evidence of mitigating factors to consider in this case. The Tribunal is not satisfied that there were no mitigating factors. The fact that the Appellant is the managing agent and is more likely than not to be required to obtain authorisation and funding for repairs would be a mitigating factor. As would the fact that some work was carried out, albeit delayed by the limits of the managing agent's role, and that the managing agent had to a limited degree tried to engage with the council.

e. The Respondent failed to include the matrix of financial penalties from the relevant time. The Tribunal does have the matrix of financial penalties from the council's policy dated December 2025. The Tribunal will use this as a guide.

72. **Issue 7:** Whether the Final Notice should be confirmed, varied or cancelled.

    a. The Tribunal is satisfied that the Final Notice should be varied.

73. Dealing with the Appellant's Grounds of Appeal

    a. **Procedural unfairness and failure to communicate** – The Tribunal is not satisfied that there was procedural unfairness and failure to communicate. If the Appellant is that it called 100s of times with no answer, it is odd that it continued to use a method of communication where it was not getting a reply. It is all the more odd where it had an email address and it was/or should have been aware of the appeal process for the Improvement Notice.

b. **Evidence of cooperation and good faith not properly considered** – The Tribunal is satisfied that the Respondent did consider the co-operation and good faith of the Appellant. This is set out in the Statement of Reasons.

c. **Failure to properly consider the Appellant's role and responsibilities** – The Respondent did fail to consider the Appellant's role and responsibilities; this would, in the Tribunal's view, be a mitigating factor.

d. **Disproportionality of the financial penalty** – The Tribunal will vary the fine downwards. As set out above, it was not satisfied that the Respondent's level of fine could be justified on the basis it set out in its Statement of Reasons.

e. **Failure to properly exercise discretion** – The Tribunal is satisfied that the Respondent considered other options; this is set out in its Statement of Reasons. Electing to impose a financial penalty, based on the facts of this case, was not irrational. The Tribunal will vary the fine downwards, and as set out above, as it was not satisfied that the Respondent's level of fine could be justified on the basis it chose in the Statement of Reasons.

Decision

74. Using the following basis and taking the tables in the Enforcement Policy (v3 Dec 2025) as a guide (it not being the version in effect at the relevant time):

a. **Culpability:** Medium

b. **Track record:** None or negligible

c. **Portfolio Size:** 20+ units

d. **Risk of harm:** Level 2

e. **Mitigation:** Mitigation including limitations of a managing agent needing to obtain agreement/approval/funds from the property

owner, the fact some work was undertaken albeit delayed, the Appellant says, due to the limitations of its role.

75. The Tribunal varies the financial penalty to £6,750. This is £9,000 (identified in the relevant row and column in the Culpability: Medium (60% Premium) table) less 25% for mitigation.

Costs

76. There were no Rule 13 applications from either party.

Other

77. On 03 November 2026, the Tribunal became aware that the Appellant company may have been dissolved. The Tribunal sent out directions inviting the parties to set out their understanding and their position. Mr Verrall replied, confirming that the company had been dissolved. Neither Mr Lenehan nor the Respondent responded to the directions.

78. The Appellant company was dissolved on 29 September 2026.

Name: Tribunal Judge Bowden **Date:** 19 November 2026

RIGHTS OF APPEAL

By rule 36(2) of the Tribunal Procedure (First-tier Tribunal) (Property Chamber) Rules 2013, the Tribunal is required to notify the parties about any right of appeal they may have.

1. A written application for permission must be made to the First-tier Tribunal at the Regional office which has been dealing with the case by email at rpsouthern@justice.gov.uk.
2. The application for permission to appeal must arrive at the Regional office within 28 days after the date this decision is sent to the parties.
3. If the application is not made within the 28-day time limit, such an application must include a request for an extension of time and the reason for not complying with the 28-day time limit; the Tribunal will then look at such reason(s) and decide whether to allow the application for permission to appeal to proceed despite not being within the time limit.
4. The application for permission to appeal must state the grounds of appeal and state the result the party making the application is seeking. All applications for permission to appeal will be considered on the papers. Any application to stay the effect of the decision must be made at the same time as the application for permission to appeal.

Annex 1 –

The relevant law

Section 30 of the 2004 Act makes provision in relation to the offence of failing to comply with an improvement notice –

> (1) Where an improvement notice has become operative, the person on whom the notice was served commits an offence if he fails to comply with it.
>
> (2) For the purposes of this Chapter compliance with an improvement notice means, in relation to each hazard, beginning and completing any remedial action specified in the notice -
>
> > (a) (if no appeal is brought against the notice) not later than the date specified under section 13(2)(e) and within the period specified under section 13(2)(f);
> >
> > (b) (if an appeal is brought against the notice and is not withdrawn) not later than such date and within such period as may be fixed by the tribunal determining the appeal; and
> >
> > (c) (if an appeal brought against the notice is withdrawn) not later than the 21st day after the date on which the notice becomes operative and within the period (beginning on that 21st day) specified in the notice under section 13(2)(f).
>
> (3) A person who commits an offence under subsection (1) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
>
> (4) In proceedings against a person for an offence under subsection (1) it is a defence that he had a reasonable excuse for failing to comply with the notice.
>
> (5) The obligation to take any remedial action specified in the notice in relation to a hazard continues despite the fact that the period for completion of the action has expired.
>
> (6) In this section any reference to any remedial action specified in a notice includes a reference to any part of any remedial action which is required to be completed within a particular period specified in the notice.
>
> (7) See also section 249A (financial penalties as alternative to prosecution for certain housing offences in England).
>
> (8) If a local housing authority has imposed a financial penalty on a person under section 249A in respect of conduct amounting to an offence under this section the person may not be convicted of an offence under this section in respect of the conduct.

Section 249A of the 2004 Act provides for the imposition of financial penalties

(1) The local housing authority may impose a financial penalty on a person if satisfied, beyond reasonable doubt, that the person's conduct amounts to a relevant housing offence in respect of premises in England.

(2) In this section 'relevant housing offence' means an offence under—

(a) section 30 (failure to comply with improvement notice),

(b) section 72 (licensing of HMOs),

(c) section 95 (licensing of houses under Part 3),

(d) section 139(7) (failure to comply with overcrowding notice), or

(e) section 234 (management regulations in respect of HMOs).

(3) Only one financial penalty under this section may be imposed on a person in respect of the same conduct.

(4) The amount of a financial penalty imposed under this section is to be determined by the local housing authority, but must not be more than £30,000.

(5) The local housing authority may not impose a financial penalty in respect of any conduct amounting to a relevant housing offence if—

(the proceedings have not been concluded.

(6) Schedule 13A deals with—

(in respect of financial penalties.

(7) The Secretary of State may by regulations make provision about how local housing authorities are to deal with financial penalties recovered.

(8) The Secretary of State may by regulations amend the amount specified in subsection (4) to reflect changes in the value of money.

(9) For the purposes of this section a person's conduct includes a failure to act.]

Paragraphs 1 to 10 of Schedule 13A to the 2004 Act set out the procedure relating to financial penalties

Notice of intent

1 Before imposing a financial penalty on a person under section 249A the local housing authority must give the person notice of the authority's proposal to do so (a 'notice of intent').

2(1) The notice of intent must be given before the end of the period of 6 months beginning with the first day on which the authority has sufficient evidence of the conduct to which the financial penalty relates.

(2) But if the person is continuing to engage in the conduct on that day, and the conduct continues beyond the end of that day, the notice of intent may be given—

(a) at any time when the conduct is continuing, or

(b) within the period of 6 months beginning with the last day on which the conduct occurs.

(3) For the purposes of this paragraph a person's conduct includes a failure to act.

3 The notice of intent must set out -

(a) the amount of the proposed financial penalty,

(b) the reasons for proposing to impose the financial penalty, and

(c) information about the right to make representations under paragraph 4.

Right to make representations

4(1) A person who is given a notice of intent may make written representations to

the local housing authority about the proposal to impose a financial penalty.

(2) Any representations must be made within the period of 28 days beginning with the day after that on which the notice was given ("the period for representations").

Final notice

5 After the end of the period for representations the local housing authority must -

(a) decide whether to impose a financial penalty on the person, and

(b) if it decides to impose a financial penalty, decide the amount of the penalty.

6 If the authority decides to impose a financial penalty on the person, it must give the person a notice (a "final notice") imposing that penalty.

7 The final notice must require the penalty to be paid within the period of 28 days beginning with the day after that on which the notice was given.

8 The final notice must set out -

(a) the amount of the financial penalty,

(b) the reasons for imposing the penalty,

(c) information about how to pay the penalty,

(d) the period for payment of the penalty,

(e) information about rights of appeal, and

(f) the consequences of failure to comply with the notice.

...

10(1) A person to whom a final notice is given may appeal to the First-tier Tribunal against -

(a) the decision to impose the penalty, or

(b) the amount of the penalty.

(2) If a person appeals under this paragraph, the final notice is suspended until the appeal is finally determined or withdrawn.

(3) An appeal under this paragraph—

(a) is to be a re-hearing of the local housing authority's decision, but

(b) may be determined having regard to matters of which the authority was unaware.

(4) On an appeal under this paragraph the First-tier Tribunal may confirm, vary or cancel the final notice.

(5) The final notice may not be varied under sub-paragraph (4) so as to make it impose a financial penalty of more than the local housing authority could have

imposed.

Secretary of State Guidance

Paragraph 12 of Schedule 13A to the 2002 Act states that a local housing authority must have regard to any guidance given by the Secretary of State about the exercise of its functions to impose financial penalties and the Secretary of State has issued Guidance for Local Housing Authorities: Civil penalties under the Housing and Planning Act 2016 (April 2018) ('the Guidance'). Paragraph 3.5 of the Guidance sets out a list of factors which local housing authorities should consider when assessing the level of any penalty, these being –

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