FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case reference	**:**	**LON/00AR/HNA/2019/0012**
Property	**:**	**245 Elm Park Avenue, Hornchurch, Essex RG12 4PG**
Applicant	**:**	**Home Connect Limited (Applicant)**
Representative	**:**	**Mr Barklam (LPC Law)**
Respondent	**:**	**London Borough of Havering**
Representative	**:**	**Ryan Thompson –Counsel**
Type of application	**:**	**Appeal against a financial penalty – Section 249A & Schedule 13A to the Housing Act 2004**
Tribunal members	**:**	**Judge Daley** **Mrs A Flynn MRICS**
Date and venue of hearing	**:**	**22 May 2019 and 30 May 2019 at 10 Alfred Place, London WC1E 7LR**
Date of decision	**:**	**16 July 2019**

DECISION

Decisions

(1) The Tribunal dismisses the appeal by Home Connect Limited against the financial penalty notice imposed on 6 December 2018 in respect of the company's control or management of a House in Multiple Occupation without a licence, on 4 October 2018;

(2) The Tribunal has allowed the appeal in part, in respect of the financial penalty imposed in the sum of £2500 and has substituted the sum of £1000, which should be paid within 28 days of the date of this decision.

Appeal

1. By an application received on 28 January 2019, the applicant company Home Connect Limited ("Home Connect") appealed under section 249A of the Housing Act 2004 against a financial penalty imposed by the respondent local housing authority, the London Borough of Havering ("Havering"). The final financial penalty notice was dated 6 December 2018

2. The alleged offence was that Home Connect, on or about 4th October 2018 being the person managing and in control of 245 Elm Park Avenue, Hornchurch, Essex RM12 4PG, you did fail to licence a Housing in multiple occupation and therefore committed an offence under section 72(1) of the Housing Act 2004 .

Hearing and subsequent procedural history

3. We heard the appeal at an oral hearing on 12 June 2018 at 1.30pm on 22 May 2019, as the Tribunal did not have enough time to conclude the hearing on that date, the hearing reconvened on 30 May 2019. Home Connect was represented by Mr Barklam of LPC Law. Havering was represented by Mr Ryan Thompson Counsel who was assisted by Mr Paul Oatt an environmental health officer who gave evidence on behalf of the respondent.

4. The applicant's bundle in support of the appeal contained a witness statement by Mr Mahadevan Mylvaganam, dated 14 May 2019. The Appellant also produced a copy of an Assured Shorthold Tenancy Agreement between All Seasons Letting and Home Connect and a copy agreement between Home Connect and Zevet Properties Ltd (together with a missing page from the agreement at the hearing on 30 May 2019) various pieces of correspondence between Home Connect and Zevet Properties and Notice to Quit dated 3 September 2018 and correspondence from Havering, and other relevant documents.

5. The respondent's bundle contained a witness statement by Mr Oatt, dated 20 March 2019. The respondent also produced a further statement of Mr Oatt dated 21 May 2019. Mr Barklam objected to the late production of this statement. However the Tribunal allowed this statement to be admitted in evidence. It was submitted by Mr Thompson on behalf of the respondent that this evidence was served in rebuttal of the appellant's statement and the Tribunal accepted that it was relevant and fair to admit this statement.

6. Havering's bundle, gave the council's reasons for opposing the appeal, and numerous exhibits relating to the Property, including statements and agreements of short-term subtenants in the Property, photographs, correspondence, and documents relating to the imposition of the financial penalty.

Facts

7. The Tribunal heard from Counsel for the respondent, Mr Thompson and his witness Mr Paul Oatt, who set out the facts that led to the decision to issue a financial penalty notice, and the method used to calculate the fine issued in the financial penalty notice.

8. This Matter concerns a property known as 245 Elm Park Avenue is an end of terrace, 3 bedroom property. ("The premises"). The property was subject to a complicated history of sub-lettings.

9. On 25 October 2004 Abu Ahmed Ershad and Aliza Sultana Ershad were registered at HM Land Registry as proprietors of the property a series of sub-lettings which are set out in the table below

Date	**Landlord**	**Tenant**	**Term**	**Rent**
02.02.2015	Mr Ershad	All Seasons	1 year from 07.02.2015	£900 PCM
03.08.2016	Homz Letting	NACCS	12 months from 07.08.2016	£2300PCM
Undated	Zevet Properties	Homz Letting	09.06.2016-08.08.2017	£?
09.11.2017	**Home Connect**	Zevet Properties	1 year starting on 09.11.2017 to 08.10.2018	£1550 PCM
09.11.2017	Zevet Properties	Homz Letting	12 months starting on 09.11.2017 to 08.10.2018	£1750PCM
11.11.2017	All Seasons	Home	12 months starting on 11.11.2017 to	£1300

		Connect	10..11.2018	

10. The history of the sub-letting of the premises was multi layered, with several of the sub-tenancies overlapping and some parties acting as sub-landlords at some states and sub-tenants at others. Although the letting from All Seasons to Home Connect was described as being an assured shorthold tenancy under the Housing Act 1988, that cannot be the case because Home Connect is a limited company and not "an individual": see section 1(1)(a) of the 1988 Act. Be that as it may, the tenancy agreement grants exclusive possession of the Property to Home Connect for a rent of £1,300 per calendar month.

11. On 9.11. 2017, Home Connect entered into an agreement, A company letting agreement with Zevet Properties Limited, this was in fact before their tenancy of the premises granted by All Seasons commenced. The letting was for a period of 1 year from 9.11.2017. Clause 4, section A, stated-: "We will let the Property to you and only your sub tenant will be allowed to live there. Otherwise only a director, shareholder or any of your employees may live at the property (with their family if this applies)."

12. On 4 October 2018, Mr Paul Oatt, an environmental health officer (employed by the respondent, on a contracted part time basis) inspected the Property as part of a joint operation with the Metropolitan Police and the Immigration services. In his evidence he set out the checks that he had carried out prior to the inspection and the information that he had found out, including an incomplete application for a licence from NACCS which led him to suspect that the property might be being occupied as a HMO.

13. In paragraph 14. Of his witness statement dated 20 March 2019, he stated-: "I found the property was occupied as a house in multiple occupation (HMO) and met the conditions of the standard test under section 245(2) of the Housing Act 2004 as follows: (a) it consists of at least 2 rooms used for sleeping/living accommodation and has no self-contained units, (b) the rooms were occupied by persons who do not form a single household… (d) Two or more, of the households share the kitchen, washing and WC facilities."

14. In his statement he described the property and stated that he met a man who identified himself as Mr Awat Karimi and his roommate Mr Abdullah Danyai, their room contained two single beds as well as clothes and personal possessions and also Mr Hewa Sherzhad Rahimpur. He stated that Mr Rahimpur was a separate household to the other tenants. He stated that all three of the tenants were unable to communicate sufficiently in English to provide a written statement

although they provided application registration cards and tenancy agreements in response to requests.

15. He stated that there were locked doors upstairs and on the ground floor there was an 'out of office' contact number for NACCS together with a list labelled "visit schedule" and a visitor log, there were also numbers on the doors. In Mr Oatt's professional opinion the house was being occupied as a HMO within the meaning of the Housing Act 2004.

16. Previously, on 11 October 2017, Havering had designated an area which included the area in which the premises was situated as an additional licensing" area for HMO's the designation which came into force on 1 March 2018. Havering made the designation in exercise of its powers under section 56 of the Housing Act 2004; and the designation applied to all HMOs in the borough, as defined by section 254 of that Act, that were occupied by three or more persons comprising two or more households. Importantly, every HMO of the description specified within Havering was required to be licensed under section 61 of the Act and the Public Notice of the designation made clear that "Upon the designation coming into force on 1 March 2018 any person who operates a licensable property without a licence, or allows a licensed property to be occupied by more householders or persons other than as authorised by a licence, could be prosecuted and upon summary conviction is liable to an unlimited fine."

17. At the hearing, it was not disputed by the applicant that the Property was an HMO, or that it required to be licensed.

18. Civil penalty notices are financial penalties imposed by local authorities on organisations or individuals as an alternative to prosecution for certain housing offences under the Housing Act 2004. They were introduced by the Housing and Planning Act 2016.

19. Mr Oatt wrote to the following companies concerning his findings and the intention of the Respondent on the following dates On 21 October 2018 he wrote to Mr Abu Ershad and NACCS informing them of the Respondent's intention to issue a financial penalty notice.

20. On 25 October 2018, All Seasons a company which had been unknown to Mr Oatt wrote to him by email stated that "…We had given the property to another company on a company let agreement. We had actually carried out an inspection of the property ourselves recently, and we also found it to be a property in multiple occupation. We have already taken steps to recover possession of the property. "

21. .On 26 October 2018 he wrote to All Seasons Lettings in similar terms and on 27 October 2018 he wrote to Home Connect notifying Home Connect of the Respondent's intention to issue a financial penalty

notice. Further notices were also issued on Zevet Properties Limited in December 2018.

22. On 12 November 2018 Mr Oatt wrote to the Appellant serving a notice under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 setting out the Appellant's obligation to produce documents under Section 235 of the Housing Act 2004.

23. In his submissions Mr Thompson set out that the appellant argued that they were not a person managing and controlling the premises and that they had a reasonable excuse, however he referred to Section 263 of the Housing Act 2004, he stated that this was an inclusive list and included a number of the companies and individuals in the chain, In respect of the appellant, Home Connect they received the Rack Rent and passed some of the monies received as rent to All Seasons Section 263(3), the wording " Persons managing was all inclusive and included all persons involved in the chain.

24. He stated that in November 2017 the appellant took possession of the premises and should have inspected it, he stated that they would have carried out an inspection to see what they were getting prior to the agreement being signed with Zevet Properties. He also referred to the agreement with Zevet which stated that the premises must be inspected by Home Connect Ltd every two months. He submitted that had they inspected they would have known that the premises was a HMO.

25. Mr Thompson stated that Reasonable excuse was an objective criteria under the 2004 act, and the question was whether they knew or ought to have known, he stated that had they exercised due diligence then they would have carried out an inspection which would have put them on notice of the state of affairs at the property and they could not rely on their failure as a reasonable excuse.

26. The respondent referred to the Notice of Intention to Issue a Financial Penalty dated 27 October 2018 in the Notice the Respondent stated-: "2… We believe you should pay the amount of £2500 as a Financial Penalty…5. In determining the amount of penalty to be issued in this instance, the Authority has considered evidence relating to matters of this case and consulted governmental guidance Specifically we have taken account

- The severity and seriousness of the offence/s
- The culpability and past history of the offender
- The harm caused to the tenant/s

- That the penalty should act as a deterrent to repeating the offence

- That the penalty should remove any financial benefit obtained as a result of committing the offence."

27. The notice gave the Appellant until 27 November 2018 to make representations.

28. On 12 November 2018 the Appellant Home Connect provided a letter dated 9 November 2017 written to Zevet Properties, a company letting agreement of the same date between themselves and Zevet Properties a schedule of rent payment, and a deed of surrender dated 12 October 2018.

29. Home Connect also provided representations dated 10 November 2018, in their representations – "…We have informed to Mr Shah that the property must be occupied by a single family not more than 5 people as 1 household…" He also confirmed that the property had been vacated by 10 October 2018.

30. A Final Financial Penalty Notice was served on 6 December 2018 in the sum of £2500.00.

31. In the course of his evidence on 22 May 2019, Mr Oatt attempted to explain the way in which the financial penalty notice had been calculated, however it was clear from cross examination from Mr Barklam, and was conceded by Counsel Mr Thompson, on behalf of the respondent that the wrong calculations had been attached, and that they related to one of the other landlords in the chain rather than Home Connect.

32. In his evidence to the Tribunal on 30 May 2019, Mr Oatt produced a further calculation matrix (POO3/A/1) He also provided a policy document which dealt with the factors set out in paragraph 26 above.

33. In respect of *Deterrence and Prevention* he stated that the Appellant had a number of years' experience of managing properties and had licenced properties in Newham, and had been appointed as an agent for a number of licence holders, for this reason he had "low confidence" that the financial penalty notice would deter repeat offending. This gave Home Connect a score of 10

34. In respect of *Removal of Financial incentive,* The DCLG guidance made it clear that an offender should not benefit as a result of committing an offence. The guidance given in the policy stated "… to assess this aspect the local authority, investigate the offender's assets, to determine if they have a large or small portfolio of rented properties.

35. Mr Oatt in his calculations noted that the appellant had at least 17 properties which they managed in Newham, and in his evidence he stated that the company assets had increased to £88,000 by reference to the company accounts given this, the assessment was that the Appellant was a large professional landlord and the appropriate score was 20.

36. Under '*Offence and history';* there was no history of previous offences accordingly the score was 1. The last criteria in the calculation matrix was *Harm to Tenants;* As there was no record of harm to tenants this was also scored as 1.

37. The total score was then added up and the total was 33, this put the offence in the score range of 31-40 which was calculated as attracting a find of £2500.

38. Mr Barklam cross examined Mr Oatt at some length pointing out what he saw as inconsistencies including the fact that the Appellant having previously licensed properties was inconsistent with a conclusion that there was a "high risk of re-offending". He also noted that the business was not a charity and that although a profit was made it was not excessive. He also criticised Mr Oatt who in his view had previously made up his evidence to fit the matrix at the hearing on 22 May when it was clearly wrong.

The applicant's arguments

39. Mr Mahadevan Muvaganam was the director of Home Connect; he gave evidence on behalf of the appellant. In his statement he set out that he entered into an agreement with All Seasons Letting. He stated that Mr Shah of Zevet was known to him as a business friend and that he asked him whether he had any properties to let, and he told him about the fact that he would be renting the premises 245 Elm Park Avenue. Mr Shah had signed an agreement with him.

40. He stated that it was a company let and that the terms were that it should be occupied by a family of no more than 5 people. He referred to a letter in those terms which was dated the same day as the Company Letting agreement. Mr Thompson noted that it referred to being occupied by staff members of the company and their family

41. Mr Mahadevan Muvaganam stated that he did not know the premises were occupied as a HMO until All Seasons informed them of this on 3 September 2018. In his statement he set out that he had received rent directly from Zevet and was unaware of the occupancy. He stated that he had immediately taken steps to obtain vacant possession by informing Zevet Properties and served notice. Vacant possession was achieved by 10.10.2018.

42. He did not accept that the rent paid to Home Connect was above market rent, and that it should have put them on notice that the rent was occupied as a HMO. He denied that Home Connect was managing the premises, as in his view Zevet was managing the property

43. In cross examination it was pointed out that the missing page of the agreement prohibited the premises being used as a HMO, he stated that this had been accidentally omitted.

44. Mr Mahadevan Muvaganam also asserted that the premises had been inspected by his company in early November 2017 and that the property had been empty. He accepted that paragraph 10 of the company letting agreement provided that they, the company could inspect on 24 hours' notice and that the agreement at (page 148B of the Appellant's bundle) stated-: "… Property must be inspected by Home Connect Limited representatives once every two months to inspect it is in good condition."

45. He did not accept that the appellant had not inspected the property. He stated in his oral evidence that inspections had been carried out by employees of the company in November, January, March and May. No inspection had been carried out in July at the request of the occupant which had been conveyed via Zevet.

46. In answer to questions from Mr Thompson concerning occupancy agreements for room 1 Mr Dunyai from 31 /08/2016 and from Mr Fatihzada living at the property since July 2018, he reiterated his evidence that the property had been vacant in November 2017 and that the signs of occupancy as a HMO described by Mr Oatt had not been present. Although he had not personally inspected the property he was confident that his colleagues had inspected it (save for July 2018) and that they would have told him had the property been occupied as a HMO.

47. Mr Mahadevan Muvaganam was asked why he did not provide the letter of 9 November 2017 which indicated to Zevet that the property could not be used as a HMO and the Notice to Quit as part of the documents provided in the Notice to Produce. He stated that this had been an oversight and that they had been omitted accidentally. He denied counsel's assertion that he knew the property was occupied as a HMO at the time of letting and that it had been profitable to allow the occupancies to simply "rollover".

48. Both parties made closing submissions, Mr Thompson on behalf of the Respondent submitted that Home connect were in receipt of the Rack Rent which was 2/3 of the full net annual value of the premises, notwithstanding that rent was passed on to All Seasons. He submitting that the Appellant had not provided a reasonable excuse, and although he submitted that the burden of proof, which was beyond reasonable

doubt was for the respondent to discharge in relation to their decision to serve a financial penalty notice. He stated that as the appellant was asserting reasonable excuse, they bore the burden of proofing that they had a reasonable excuse, and that this burden was discharged on a balance of probabilities. He submitted that the appellant had failed to discharge the burden of proof in relation to reasonable excuse. He reiterated that they ought to have known it was a HMO, as the company letting agreement provided for bi monthly inspections. He referred to the inconsistencies in the documents and invited the Tribunal to reject the explanation and to dismiss the appeal.

49. He set out the basis upon which the amount of the Financial Penalty had been assessed and set out that the correct test had been used.

50. Mr Barklam submitted that the appellant had a reasonable excuse, he referred to the fact that there were 7 levels of tenancies at the property, and that a previous tribunal had found All Seasons to have a reasonable excuse, and he submitted that Home connect was in a similar position . He referred to the letter dated 9 November 2017, written by Home Connect to Zevet to state that the premises was for occupation by "you and your family". This was clearly a template and as a result was wrong in part; however the clear message was that the house was for occupancy by a family or a single household.

51. He submitted that the appellant had inspected and that they had trusted Zevet and that that is how they "came a cropper." He submitted that the property had been inspected and was empty at the time of letting and that NACCS had day to day management responsibility. He noted that it was feasible that the tenants could have been removed from the property, and new agreements granted after Home Connect had taken a tenancy of the property. He also pointed to the quick action taken by Home Connect to obtain vacant possession.

52. As to the level of the fine, he pointed out the disparity between Home Connects financial penalty and that of Zevet, which was £1000.00. He noted that Home Connect had an unblemished record before, and given this, he submitted that contrary to the respondent's assessment there was "little chance of repeat offending". He submitted that the calculations provided at the first hearing had been wrong and that Mr Oatt had tried to fit the calculation to the facts in this case.

The tribunal's decision

53. The tribunal dismisses the appeal against the financial penalty, however it allows the appeal as to the amount and substitutes the sum of £1,000 as the correct penalty payable by Home Connect and that it should be paid to the council within 28 days of the date of this decision.

Reasons the tribunal's decision

54. There is no dispute that Home Connect was in control of the premises It is agreed that relevant date of the alleged offence is 4 October 2018 and on that date the Property constituted an HMO. It is also common ground that Havering had introduced additional licensing by which the HMO required to be licensed; that the Property was not licensed on the relevant date and that premises were let by Home Connect to Zevet and it was subsequently occupied as a HMO. And that on the relevant date, the Property was unlicensed.

55. The question is whether on the relevant date the Tribunal is satisfied beyond reasonable doubt that Home Connect had committed an offence under section 72(1) of the Housing Act 2004. The relevant parts of section 72 read as follows:

> "**72 Offences in relation to licensing of HMOs**
>
> (1) A person commits an offence if he is a person having control of or managing an HMO which is required to be licensed under this Part (see section 61(1)) but is not so licensed.
>
> (2) A person commits an offence if–
>
> (a) he is a person having control of or managing an HMO which is licensed under this Part,
>
> (b) he knowingly permits another person to occupy the house, and
>
> (c) the other person's occupation results in the house being occupied by more households or persons than is authorised by the licence.
>
> (3) A person commits an offence if–
>
> (a) he is a licence holder or a person on whom restrictions or obligations under a licence are imposed in accordance with section 67(5), and
>
> (b) he fails to comply with any condition of the licence.
>
> (4) In proceedings against a person for an offence under subsection (1) it is a defence that, at the material time–
>
> (a) a notification had been duly given in respect of the house under section 62(1), or
>
> (b) an application for a licence had been duly made in respect of the house under section 63,
>
> and that notification or application was still effective (see subsection (8)).
>
> (5) **In proceedings against a person for an offence under subsection (1), (2) or (3) it is a defence that he had a reasonable excuse–**
>
> **(a) for having control of or managing the house**

in the circumstances mentioned in subsection (1), or

(b) for permitting the person to occupy the house, or

(c) for failing to comply with the condition,

as the case may be.

(6) A person who commits an offence under subsection (1) or (2) is liable on summary conviction to [a fine].

(7) A person who commits an offence under subsection (3) is liable on summary conviction to a fine not exceeding level 5 on the standard scale.

(7A) See also section 249A (financial penalties as alternative to prosecution for certain housing offences in England).

(7B) 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."

56. The meaning of "person having control" and "person managing" is to be found in section 263 of the 2004 Act, which reads as follows:

"**263 Meaning of "person having control" and "person managing" etc.**

(1) In this Act *"person having control"*, in relation to premises, means (unless the context otherwise requires) the person who receives the rack-rent of the premises (whether on his own account or as agent or trustee of another person), or who would so receive it if the premises were let at a rack-rent.

(2) In subsection (1) *"rack-rent"* means a rent which is not less than two-thirds of the full net annual value of the premises.

(3) In this Act *"person managing"* means, in relation to premises, the person who, being an owner or lessee of the premises–

(a) receives (whether directly or through an agent or trustee) rents or other payments from–

(i) in the case of a house in multiple occupation, persons who are in occupation as tenants or licensees of parts of the premises; and

(ii) in the case of a house to which Part 3 applies (see section 79(2)), persons who are in occupation as tenants or licensees of parts of the premises, or of the whole of the premises; or

(b) would so receive those rents or other payments but for having entered into an arrangement (whether in pursuance of a court order or otherwise) with another person who is not an owner or lessee of the premises by virtue of which that other person receives the rents or other payments;

and includes, where those rents or other payments are received

through another person as agent or trustee, that other person.

(4) In its application to Part 1, subsection (3) has effect with the omission of paragraph (a)(ii).

(5) References in this Act to any person involved in the management of a house in multiple occupation or a house to which Part 3 applies (see section 79(2)) include references to the person managing it."

57. More than one person can have control of an HMO, and therefore can commit an offence under section 72(1): that is the meaning of the paragraph. The tribunal is also satisfied beyond reasonable doubt, that Home Connect was the "person managing" the Property on the relevant date, being the person who, as tenant of the premises from All Seasons, received the rents from the persons who were in occupation as subtenants in the various parts of the Property (having also been solely responsible for the selection of such occupants and the signing of the short-term tenancy agreements with them).

58. Accordingly, on the relevant date, the tribunal is satisfied beyond reasonable doubt that Home Connect had committed an offence under section 72(1) of the 2004 Act.

59. The argument raised by Home Connect was that they had a reasonable excuse under sub paragraph 5 of Section 72 of the 2004 Act. The Tribunal accepted the submissions of Mr Thompson that this was an objective test; accordingly the Tribunal are satisfied that the appellant knew, or ought to have known, had an inspection been carried out, with care and diligence, that the property was occupied as a HMO. The Tribunal accepts the evidence or Mr Oatt that there were a number of signs of multiple lettings such as door numbers, and locks on doors and that the occupiers had agreement which in one case pre-dated the letting to Home Connect. Even if the property was empty in November 2017, it was occupied at the date the offence was committed. Had the Appellant inspected they would have known this. Accordingly there is no reasonable excuse under the act.

60. The offence having been established, Havering was within its rights to impose a financial penalty on Home Connect. The tribunal's task was to consider whether the amount of such penalty is reasonable in all the circumstances of this case.

61. The Tribunal reminded itself that it was re-hearing Havering's decision to impose the financial penalty on Home Connect. In the present case, Havering used a matrix to categorise offences into using ranges of £250.00 to £30,000.

In the present case, Mr Oatt applied the factors in the policy that led to this finding, namely that Home Connect controlled a significant

property portfolio of rent-to-rent properties and that it was familiar with the need to apply for an HMO licence or should have been.

62. The respondent came to the view that given the experience of the appellant in the need to apply for a licence it had low confidence that a fine would act as a deterrent. There was no adequate reasoning given for this view, and the respondent appeared to equate knowledge of the need to apply for a licence and the failure to do so as a strong indicator that a fine would not serve as deterrence. However the respondent did not consider this factor and balance it along with the previous lack of offending by the appellant or the fact that they took prompt action to obtain possession, or the lack of harm.

63. While the tribunal is satisfied that a penalty of £2500, would encourage Home Connect to comply with HMO legislation in the future and would therefore deter further offending - and it would have a deterrent effect on others - the tribunal is also mindful of the very rapid response from Home Connect to the letter of an alleged offence, their apparent willingness to co-operate with the council in regularising the position, with regard to this and other properties with which they are involved, and the fact that it is not suggested by the council that there have been previous offences.

64. Taking into account all these factors, while the tribunal is satisfied that a penalty of £2500 could have been justified in this case, the Tribunal was not wholly satisfied of the explanation given for risk of repetition. Accordingly, The Tribunal in considering the level of fine payable by Zevet and taking into account all of the circumstances were sufficient satisfied that a reduction of the penalty to £1,000 was appropriate; and this was a level of penalty which, in the tribunal's view, struck the appropriate balance between punishment and deterrence, on the one hand, and recognition of the lack of harm caused to tenants and the previous record of the Appellant, on the other.

65. For these reasons, the tribunal finds that the financial penalty imposed by Havering of £2500.00 is inappropriate and the penalty is reduced to £1000.00, which should be paid to the council within 28 days of the date of this decision.

Judge Daley

16 July 2019

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.

If a party wishes to appeal this decision to the Upper Tribunal (Lands Chamber), then a written application for permission must be made to the First-tier Tribunal at the regional office which has been dealing with the case.

The application for permission to appeal must arrive at the regional office within 28 days after the tribunal sends written reasons for the decision to the person making the application.

If the application is not made within the 28-day time limit, such 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.