



Cabinet 10 June 2026

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Public

# Shropshire Housing Authority Enforcement & Civil Penalty Policies

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<b>Cabinet Member (Portfolio Holder):</b>	Cllr James Owen		

## 1 Synopsis

The Renters' Rights Act 2025 aims to improve the private rented sector through tenancy reforms and improved property conditions in the largest overhaul in at least 40 years. This is through a number of measures introduced on a phased approach.

Its purpose is to:

- ensure empowerment, security and confidence of tenants,
- increase transparency and the information available for tenants,
- professionalisation of the sector, increasing landlord accountability and responsibility as a business.

To fulfil the Act's purpose there is a requirement for a change of approach, new accountability, and an increased duty for the Council to enforce. The Act expands civil penalties and creates a duty to enforce landlord legislation.

Updated Civil Penalty and Enforcement Policies are required to align with the new legislative framework, with a 6-month transition to provide legal and procedural continuity.

## 2 Executive Summary

2.1 This report seeks approval to adopt, with immediate effect, updated Civil Penalty and Enforcement Policies aligned with the Renters Rights Act 2025, which became law from 1st May 2026 and included statutory guidance, to ensure

Shropshire Council can meet its statutory duties. This new Act introduces a stronger enforcement approach and a change from informal to formal action for landlord breaches.

2.2 The new Enforcement and Civil Penalty Policies have been developed as a national framework for adoption by local authorities in accordance with statutory guidance. The Policies have been reviewed by all relevant services within the Council. It is expected that a further national framework policy on Civil Penalty Debt Recovery is being developed. Once available, this will be reviewed in line with relevant Shropshire Council policies and statutory guidance, to determine whether a further report will be presented to Cabinet. In the interim, Officers will continue to follow existing Shropshire Council policies.

These policies are intended to promote greater consistency, transparency and robustness in local authority enforcement approaches nationally, while allowing for appropriate local discretion where appropriate. Aligning the Council's policies with this nationally recognised framework and statutory guidance supports a consistent and defensible approach to enforcement, reduces the risk of unfavourable outcomes to legal challenge and strengthens the Council's ability to meet its statutory duties under the Renters' Rights Act.

Transitional arrangements will allow existing and new policies to operate concurrently for six months to resolve legacy cases without retrospective application.

New Burdens funding has been provided for the periods 25/26, 26/27 & 27/28 to reflect the impact of the Act on Local Authorities in Housing Enforcement and Homelessness Prevention teams.

2.3 The Policies supports delivery of the Shropshire Council Corporate Plan 2026-2030 by strengthening the Council's ability to protect residents from poor housing conditions, reduce risk of harm and promote wellbeing through fair, consistent and proportionate regulation. The proposal is a part of rebuilding Shropshire, through sustainability and resilience.

- A. Financial sustainable council, clear priorities, purpose and a supported workforce to excel; nationally aligned, legally robust enforcement policies support consistent decision-making, reduces the risk of successful challenges, avoids reputational risks for not meeting statutory duties and provides clear guidance, training, confidence and retention of officers.
- B. Communities connected by well-maintained roads, accessible transport and infrastructure. Although in general about physical infrastructure, improved housing standards, security and safety of tenure from effective enforcement policies assists with ensuring residents remain living, working and wanting to be a part of the Shropshire community, which in turn rebuilds Shropshire together.
- C. People live in safe, inclusive places with homes that meet their needs; Earlier proportionate intervention where serious hazards or repeat non-compliance are identified helps prevent harm, reduce health risks, protect vulnerable tenants and support healthier living conditions.
- D. An environment that harnesses our natural assets and supports wellbeing

Clear enforcement policies ensure that necessary action is taken consistently to promote well managed and safe homes. This impacts on the overall community/neighbourhood by reducing environmental nuisance and supporting wellbeing to enjoy our natural assets.

- E. A thriving economy that benefits everyone; consistent enforcement creates a level playing field for responsible landlords, supports a better functioning private rented sector through the tenancy reforms, and helps sustain stable accommodation that underpins participation in the economy. A safe, warm, stable home provides the foundation for every other aspect of a person's life.

### 3 Recommendations

3.1 That Cabinet approves the Shropshire Housing Authority Enforcement Policy and Civil Penalty Policy, to take effect immediately, with transitional arrangements allowing the existing policies to operate in tandem for a six-month period to conclude legacy cases.

3.2 That Cabinet delegates to the Service Director - Communities and Customer to undertake required updates to the Shropshire Housing Authority Enforcement Policy and Civil Penalty Policy as the implementation of the Renter's Rights Act continues, in consultation with the Portfolio Holder for Housing.

3.3 That Cabinet directs that a formal review of the policies to come back for consideration in June 2027, with any delegated changes made in accordance with Recommendation 3.2 should be reported to the Housing Overview and Scrutiny Committee.

## Report

### 4 Risk Assessment and Opportunities Appraisal

- 4.1 The Renters Rights Act 2025 is legislation implemented nationally across England by the current Government. The changes impact everyone involved with private rented accommodation. The implications and equality impact assessment of this has been considered at national Government level. As law the Council has a statutory duty to carry out the enforcement of the Act in accordance with the national guidance and report on its enforcement activity to Central Government.

Transitional arrangements will allow existing and new policies to operate concurrently for six months to resolve legacy cases without retrospective application. Once legacy cases have resolved, the existing policies will be withdrawn, leaving a single updated policy framework in place.

As case law develops for the Renters' Rights Act, the policies are likely to require amendments in line with the case law and precedents. This will ensure that the policies remain in accordance with the regulations ensuring that the Council meets its statutory duties under the Renters Rights Act section 107. The policies aim to provide a robust, legally compliant, consistent approach and clear Officer guidance to enforcement decision making. It minimises the risk of successful legal challenges, is aligned with national best practice and statutory guidance. It ensures

the Council is implementing the Renters Rights Act effectively driving forward intended tenant protections. The current Enforcement policies would not achieve these outcomes.

Further regulations are expected to be issued in due course which will necessitate changes to the Council's policies – for example, financial penalties to landlords for serious defects. Regulations introducing such penalties are expected to be laid under Section 6A of the Housing Act 2004. Once enacted, this will allow Local Authorities to issue an immediate financial penalty for serious residential defects (Category 1 Hazards) or failures in Type 1 Requirements (Criteria set to meet Decent Homes Standards) as appropriate. This does not prevent a notice being served to landlords under the current regulations, but it will require a change to our policies which will be implemented by the Service Director in accordance with her delegation under Recommendation 3.2 and reported to the next meeting of the Housing Overview and Scrutiny Committee.

#### 4.2 Legal and compliance risk:

There is a risk that failure to adopt the updated enforcement and civil penalty policies aligned with the Renters' Rights Act could result in the Council being unable to demonstrate compliance with our statutory duty to enforce landlord legislation under section 107 implemented from 1st May 2026. This may increase the likelihood of successful challenge to enforcement decisions, particularly where informal action is relied upon without clear justification, or where penalty-setting lacks a transparent and consistent framework. It may also increase the risk of harm to tenants.

**Mitigation:** Adoption of the proposed policies, with clear decision making criteria and transitional arrangements, will provide a defensible and legally robust basis for enforcement action.

#### 4.3 Consistency and reputation risk:

Inconsistent application of enforcement powers or civil penalties may contribute to perceptions of a "postcode lottery" for landlords, undermining confidence in the Council's regulatory approach and damaging its reputation as a fair and proportionate regulator. This risk is heightened where landlords operate across multiple local authority areas.

**Mitigation:** Alignment with the national developed model and in accordance with statutory guidance will support consistency and transparency in enforcement outcomes.

#### 4.4 Operational and implementation risk:

The introduction of new policies from 1 May 2026, alongside a transitional period where legacy cases are concluded under existing policies, may create complexity for officers and decision makers, with a risk of procedural error or misapplication of policy.

Mitigation: Clear internal guidance, officer briefings, and defined transitional arrangements based on the date of offence and management oversight will support correct application of the appropriate policy framework during the transition period.

#### 4.5 Challenge and appeals risk:

The expanded use of civil penalties under the Renters' Rights Act may lead to an increase in representations, appeals, and non-payment of penalties, particularly during the early stages of implementation.

**Mitigation:** A clear civil penalty methodology, consistent enforcement approach, and alignment with emerging best practice, Tribunal decisions and statutory guidance, including the potential development of a dedicated civil penalty debt recovery framework, will support effective recovery and reduce the risk of protracted disputes.

#### 4.6 Capacity and resource risk:

The enhanced enforcement expectations under the Renters' Rights Act are expected to place additional pressure on officer capacity.

**Mitigation:** Clear policies will streamline decision-making, reduce rework, and support more efficient enforcement activity. Ongoing monitoring will allow emerging capacity issues to be identified and addressed. A restructure for retention and recruitment has been approved, maximising the new burdens funding provided by Central Government to implement the new Act, while retaining experienced officers. Targeted recruitment strengthens resilience, reduces skills gaps and supports effective workload management. Collaborative processes across internal teams are being implemented and will be reviewed as implementation continues.

#### 4.7 Risk table

<i>Risk</i>	<i>Mitigation</i>	<i>Link to Strategic Risk</i>
Legal and compliance	Approve and publish an updated Enforcement Policy and Civil Penalty Policy.	<p><b>Health &amp; Wellbeing of The Workforce.</b></p> <p><b>Failure of Officers and Members to adhere to Governance arrangements.</b></p> <p><b>Inability to contain overall committed expenditure within the current available resources within this financial year</b></p>
Consistency and reputation risk	Approve and publish an updated Enforcement Policy and Civil Penalty Policy.	
Operational and implementation risk	<p>Alignment will support consistency and transparency in enforcement outcomes.</p> <p>Clear internal guidance, officer briefings, and defined transitional arrangements based on the date of offence and management oversight will support correct application of the appropriate policy framework during the transition period.</p>	

		<b>Critical Skills shortage impacting on Recruitment, Retention &amp; Succession Planning.</b> <b>Impact of extreme pressures upon partners (social care, health, and criminal justice)</b>  <b>Safeguarding Children</b>
Challenge and appeals risk	<p>Approve and publish an updated Enforcement Policy and Civil Penalty Policy.</p> <p>Alignment will support consistency and transparency in enforcement outcomes.</p>	
Capacity and resource risk:	<p>Approve and publish an updated Enforcement Policy and Civil Penalty Policy.</p> <p>Alignment will support consistency and confidence of Officers.</p> <p>Restructure in process – new burdens funding and approved.</p> <p>Ongoing monitoring.</p> <p>Collaborative working.</p> <p>Training and keeping up to date with case law, statutory guidance and legislative implementation.</p>	

## 5 Financial Implications

5.1 Shropshire Council continues to manage unprecedented financial demands, and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2 The new Tenancy Reforms and enhanced duty to enforce under the Renters' Rights Act will provide additional pressure on Officer capacity.

The additional pressures impact on numerous teams across the Council, including Housing Enforcement, Homelessness Prevention and Housing Options, Trading Standards, Legal Services, Information Technology, Communications, Customer Service, Debt Recovery and Recruitment.

Significant collaboration work has and continues to take place between internal and external partners in preparation and implementation of the Act. This is to ensure that private renters will receive the advice and protection the Act intends, landlords are clear on their responsibilities to aid compliance, staff are supported and the Council meets its duty effectively. This is continually being reviewed.

New Burdens funding has been provided for the periods 25/26, 26/27 & 27/28 to reflect the impact of the Act on Local Authorities in Housing Enforcement and Homelessness Prevention teams. A restructure in Housing Enforcement to reflect the additional pressures to retain current staff and carry out targeted recruitment to strengthen resilience, reduce skills gaps and support effective workload management was approved by the Budget, Transformation and Change Review Panel on 22<sup>nd</sup> April 2026.

The New Enforcement and Civil Penalty Policies will streamline confident decision-making, reduce rework, provide clear information to landlords and tenants to aid compliance and support more efficient enforcement activity, reducing time spent on legal challenges.

The Policies support the Council's financial sustainability providing a framework in accordance with the Renters' Rights Act for appropriate income generation and demand prevention/cost avoidance. The use of Financial penalties, Rent repayment orders and annual fees from the Private Rented Sector Landlord database registration will help to provide early intervention, improve compliance, avoid costly reactive action or statutory failure. The income generated will support the continuation of the Council's duty to enforce landlord legislation.

Improved housing standards and tenancy reforms through the Council's enforcement activities will help to reduce access to other system wide services due to mental and physical ill health. Income generated from enforcement activities will support the continuation of the Council's duty to enforce landlord legislation.

## 6 Climate Change Appraisal

- 6.1 The policies enable the Council to enforce effectively with confident decision making in accordance with statutory duties and guidance. There are approximately 23,000 private rented properties in Shropshire. Housing legislation includes the assessment of housing conditions through the Housing Health and Safety Rating System (HHSRS). A review of HHSRS has been undertaken with the updated version expected to be approved by Central Government in June 2026.

This offers a positive impact on climate change by promoting the maintenance of safe, energy-efficient homes. By identifying and addressing hazards such as poor insulation, damp, and inefficient heating systems, HHSRS encourages improvements that reduce energy consumption and carbon emissions. These

upgrades not only enhance the health and wellbeing of occupants but also contribute to broader environmental goals by lowering the overall carbon footprint of residential buildings.

The Renters Rights Act provides for enhancement to housing conditions in the form of the Decent Homes Standards and Awaab Law, already within the Social Rented Sector and being introduced to the Private Rented Sector at a later stage.

## 7 Background

7.1 The Renters' Rights Act is the largest overhaul to private rented legislation in over 40 years. It introduces a significantly expanded civil penalty framework and change of approach with new duties on the Council to enforce, which includes a broader range of landlord obligations. The Council must ensure its relevant policies are fully aligned with the new legislative framework and guidance. The main provisions of the Act came into effect on 1 May 2026. The implementation of a private rented sector landlord database (end 2026/2027), duty to report enforcement activities (2027), and the introduction of a private sector housing ombudsman/redress scheme (2028) are expected in Phase 2. Phase 3 will be the implementation of the Decent Homes Standard and Awaab's Law expected 2035.

7.2 The Council's current Private Rented Sector Housing Enforcement Policy includes the Council's approach to civil penalty and rent repayment orders, amongst other legislative matters. It was developed prior to the introduction of the Renters' Rights Act. It does not reflect the new offences, guidance, amendments to penalty or evidential thresholds or the new duty to enforce landlord legislation.

The current Policy was developed reflecting the Regulator's Code and in accordance with the Council's overarching Better Regulation Enforcement Policy.

This framework retained broad discretion to resolve non-compliance through informal or advisory action, which was often the route undertaken.

7.3 The Renters' Rights Act represents a fundamental change from informal action to enforcement action. Section 107 places a statutory duty on local housing authorities to enforce landlord legislation. Section 110 requires authorities to report enforcement activity to the Secretary of State.

Increased security and fairness of tenure is expected to lead to higher levels of tenant complaints for housing conditions and landlord practices. The Regulators Code can no longer be relied upon to justify informal action as the starting point for compliance under the Renters' Rights Act.

7.4 Nationally, enforcement of private rented sector legislation has varied significantly between local housing authorities. This inconsistency risks undermining confidence in the regulatory system, creates uncertainty for landlords operating across multiple area, increases the likelihood of challenge to enforcement decisions and results in discrepancies to the level of tenant protections.

The new Enforcement and Civil Penalty Policies have been developed as a national framework for adoption by local authorities in accordance with statutory guidance. The Policies are reviewed in line with Shropshire Councils Cabinet process by all relevant services. It is expected that a further national framework policy on Civil Penalty Debt Recovery is being developed. Once available this will be reviewed in line with relevant Shropshire Council policies and statutory guidance, to determine

whether a further report will be presented to Cabinet. In the interim, Officers will continue to follow existing Shropshire Council policies.

These policies are intended to promote greater consistency, transparency and robustness in local authority enforcement approaches nationally, while allowing for appropriate local discretion where appropriate. Aligning the Council's policies with this nationally recognised framework supports a consistent and defensible approach to enforcement, reduces the risk of unfavourable outcomes to legal challenge and strengthens the Council's ability to meet its statutory duties under the Renters' Rights Act.

- 7.5 Without updated policies, there is a risk of inconsistent enforcement, legal challenge to decisions and reduced ability to demonstrate compliance with the Council's statutory duty. The lack of updated policies negatively impacts on staff confidence, morale and retention. It impacts our residents the most as the Council would not be effectively achieving compliance of housing standards and tenancy reforms.

### Summary of Changes

Area	Current Policy	Proposed Policy	Change Detail
<b>Legislative Framework and Offence Coverage</b>	Based on Housing Act 2004, Housing & Planning Act 2016, general civil penalty powers and other private rented sector Regulations.	Aligned with Renters' Rights Act 2025 as implemented on 27 <sup>th</sup> December and 1 <sup>st</sup> May 2026 & guidance.	Amendments to reflect incoming powers and duties.
<b>Regulators' Code</b>	Council commits to operating in accordance with the Regulators Code unless high risk or history of non-compliance	Removed in regard to Section 107 of the Renters' Rights Act imposing a statutory duty to take enforcement action on 'landlord legislation'. Still in place for legislation that falls outside of 'landlord legislation'	Enforcement change – no longer appropriate to consider informal approach in the first instance where breach/offence of 'landlord legislation'.  Code is still applicable where outside of 'landlord legislation'
<b>Enforcement Approach</b>	Graduated approach	Allows formal action as the first step where	Stronger early intervention

	promoting support and voluntary compliance in most cases unless high risk or history of non-compliance	'landlord legislation' breach/offence committed.	powers in adherence with section 107
<b>Investigatory Powers</b>	General overview of current provisions	Adds extensive Renters' Rights investigatory powers and amendments to powers of entry/request of information Housing Act 2004.	Expansion of powers to support Enforcement activity and new offences.
<b>Rent Repayment Orders &amp; Banning Orders</b>	Included but less detailed	Expansion to align with the Renters Rights Act.	
<b>Penalty Calculation</b>	Locally determined matrix considering number of factors	Replaced with statutory matrix including set starting points and other structured factors including landlord type	Introduction of statutory starting points and a nationally consistent calculation method
<b>Aggravating/Mitigating Factors</b>	No clear guidance on mitigating/aggravating factors.	Significantly expanded list including vulnerability factors, duration, severity, obstruction and harm level	More structured and transparent penalty adjustments
<b>Financial Assessment/Representation Consideration</b>	No clear guidance provided.	Detailed evidence requirements.	Stronger evidential basis required

## 8 Additional Information

8.2 None.

## 9 Conclusions

9.1 The Renters Rights Act 2025 is a significant change of approach and duties regarding housing conditions and tenancy reforms for Councils, landlord and tenants. The aim to ensure a fair and balanced private rented sector, where all are clear on their responsibilities. The adoption of the new enforcement and civil penalty policy ensures clear guidance for all on how the Council is going to meet its new duties to improve the private rented sector for approximately 23, 000 homes.

**List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)**

**Local Member:** All elected Members were invited to attend a briefing session on the Renters' Rights Act

**Consultation with Local Member** – Please consider the Local Member Protocol (see page E60 onwards of part 5 of the Constitution) and determine whether it is necessary to consult with the local member over the proposal set out in this report. This may not always be applicable (eg where the proposal affects all of Shropshire) but it should always be a consideration and in some cases a necessity so as to comply with the spirit of the Protocol.

**Appendices**

Shropshire Housing Authority Enforcement Policy  
Shropshire Housing Authority Civil Penalty Policy