



# The National HMO Network

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AGM & CONFERENCE  
May 2022

# Introduction

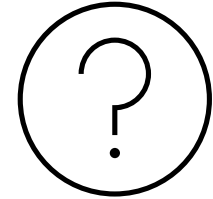
Thanks for coming along



What is the National HMO  
Network?



Mo Talukder  
Chair



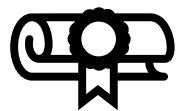
Why do we do  
conferences?



# Agenda

- AGM & VOTING ON ACCOUNTS
- PHIL POLDEN - TAX GOING DIGITAL
- ROBIN STEWART - LEGAL ROUND UP
- QUESTIONS

# For your information



## CPD Certificates

Please remain logged in and attentive during the session

Emailed to you within 24-48 hours.



## Steering Group

Want to become part of the National HMO Network steering group?

Particular interest in anyone from local authorities.

Details at the end of the presentation.

Professional development including CPD



## November Conference

In person conference

Networking Coffee and Lunch breaks included

Range of HMO topics covered

Poll for best date

**VOTE NOW**

# November Conference

**18<sup>TH</sup>**

NOVEMBER

**25<sup>TH</sup>**

NOVEMBER

# Accounts

y/e 31<sup>ST</sup> AUG 2021...

## NATIONAL HMO NETWORK LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Turnover		-	-
Gross surplus/(deficit)		-	-
Administrative expenses		(2,127)	(450)
Operating deficit		(2,127)	(450)
Deficit before tax		(2,127)	(450)
Deficit for the financial year		(2,127)	(450)

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

## NATIONAL HMO NETWORK LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2021

	Profit and loss account £	Total £
At 1 September 2020	(450)	(450)
Deficit for the year	(2,127)	(2,127)
Total comprehensive income	(2,127)	(2,127)
At 31 August 2021	(2,577)	(2,577)
	<b>Profit and loss account £</b>	<b>Total £</b>
Deficit for the year	(450)	(450)
Total comprehensive income	(450)	(450)
At 31 August 2020	(450)	(450)

# Accounts

y/e 31<sup>ST</sup> AUG 2021...

## NATIONAL HMO NETWORK LIMITED

(REGISTRATION NUMBER: 04866481)  
BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
<b>Current assets</b>			
Cash at bank and in hand		20,335	10
<b>Creditors: Amounts falling due within one year</b>	4	<u>(22,912)</u>	<u>(460)</u>
<b>Net liabilities</b>		<u>(2,577)</u>	<u>(450)</u>
<b>Capital and reserves</b>			
Profit and loss account		<u>(2,577)</u>	<u>(450)</u>
Shareholders' deficit		<u>(2,577)</u>	<u>(450)</u>

For the financial year ending 31 August 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

## NATIONAL HMO NETWORK LIMITED

DETAILED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	2021 £	2020 £
Turnover	<u>-</u>	<u>-</u>
<b>Administrative expenses</b>		
Staff welfare	103	-
Insurance	277	-
Computer expenses	1,058	-
Sundry expenses	48	-
Accountancy	420	360
Bank charges	<u>221</u>	<u>90</u>
	<u>2,127</u>	<u>450</u>
Operating deficit	<u>(2,127)</u>	<u>(450)</u>
Deficit before tax	(2,127)	(450)
<b>Tax on Surplus/(deficit) on ordinary activities</b>		
	<u>-</u>	<u>-</u>
<b>Deficit on ordinary activities</b>	<u>(2,127)</u>	<u>(450)</u>

**VOTE NOW**

Do you accept the accounts  
just presented?



Yes



No



Abstain



# Phil Polden

Brett Pittwood



Phil has been a Poole resident all of his life and has a particular affinity to the Branksome area. His call to accountancy came early, when he studied it at A level. He then went on to train at Brett Pittwood where he quickly qualified as a Chartered Certified Accountant.

A few years after qualifying, in order to gain further experience, Phil spent two years working in the local office of a “top 10” international firm of accountants where he came across larger clients and broadened his skills generally. On returning to Brett Pittwood in 2017 he took up the position of Associate Director, and then subsequently full director in early 2019.

# Making Tax Digital for Income Tax

PHIL POLDEN FCCA



# Making Tax Digital (MTD)

## A brief history of MTD

MTD was introduced for VAT, for businesses with turnover above the VAT threshold in April 2019.

This meant that all VAT registered businesses with turnover above £85,000 had to report their VAT returns digitally, which in most cases required a form of recognisable accounting software.

HMRC want to extend the digitalisation of the tax system to other taxes over the coming years. MTD for Income Tax (MTD ITSA) is planned for April 2024 (as it stands) and MTD for corporation tax is planned for April 2026 at the earliest. HMRC want the UK to have an efficient and effective tax system that results in taxpayers paying the correct amount of tax, i.e. Minimising errors.

You can imagine how easy it is to make a simple casting mistake or spreadsheet error and how this can lead to inaccurate returns.



# The Impact on Landlords

How this will impact you...

MTD for Income Tax will come into force in April 2024 for any individual who has gross self employment or property income above £10,000. It is likely that only the smallest of landlords will be exempt from this requirement.

Please note the above refers to income, so even a landlord with rental income of say £1,000pm with expenses of £950pm will need to report in this way.

For those affected quarterly returns will need to be submitted to HMRC using accounting software, more detail to come on that.

Deadlines for quarterly submissions are expected to be one month and 5 days following the quarter end, ie 30 June quarter end will need reporting by 5 August.



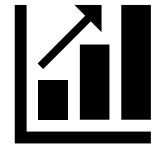
# The Impact on Landlords cont.

How this will impact you...

In addition to the quarterly submissions, there will be a final submission just like the tax return that you all do now. This will act as a chance to catch any errors.

HMRC hope that in time these quarterly submissions will feed into individuals personal tax accounts so that they can build the persons tax liability during the year. The hope is that this will mean people are less likely to forget to save for their tax bill. Does this mean that HMRC will start to collect tax more regularly??? They would certainly have the mechanism once this is up and running.

As you can see this is going to change a lot of the way in which you have kept your tax records and in reality, even if done well is going to create extra work from a compliance point of view. Potential for fines if failure to submit, with possibly a “soft landing” period.



# Software

To be MTD compliant it is necessary to use some form of recognised accounting software. There are hundreds of different providers but the main players in the market are Sage, QuickBooks and Xero.





# Software

The software is likely to cost between £10 and £30 per month, most accounting firms have connections with the major providers and can usually offer a discount on the prices advertised. Most providers have introductory discounts allowing you to try out the software before committing.

The use of software can provide benefits, offering features such as bank feeds, receipt capture, auto reminders and mobile phone apps.

The quarterly submissions will essentially be the click of a button but it will require items to be correctly coded throughout the period eg repairs or professional costs.

For anyone who has not used accounting software before it is important to spend some time learning how to use it. Most accountants will offer training for the use of the software to their clients. I would say the software is in most cases fairly easy to use but I appreciate this may be a new concept for some.



# Planning points

Bank feeds are the biggest asset of the cloud accounting market.

Bank feeds enable a direct link between a bank account and the software.

How do you currently maintain your records, perhaps excel? A bank feed captures the date description and amount from the statement leaving you just to 'allocate' the transaction to a particular heading.

If you do not currently have a separate rental bank account, I suggest you look at doing this. It has always been recommended to not mix business or rental with personal but bank feeds you will not want to be logging private transactions within the software.





# Planning points

How do you currently store receipts...? If you currently have a file, box or bag its time to think about a change. Most of the better software providers have functionality to snap or capture receipts. The software can then read the receipt and enter into the software and match it to a bank transaction.

So, a planning point here is to consider a business debit card or credit card alongside the business account, making it easier to capture business expense rather than say using cash.

Will you do this all yourself, or will you ask for assistance from your accountant. It might be that you want to do it yourself but want your accountant to give it a quick overview. Or perhaps you may want to hire a bookkeeper.

There is lots to consider each set of circumstances will differ but now is the time to think.

# Questions

If anyone would like to know more on this, I have included my contact details below:

**Phil Polden FCCA**

Brett Pittwood Chartered Certified Accountants

[pjp@brett pittwood.co.uk](mailto:pjp@brett pittwood.co.uk)

01202 388888



# Robin Stewart

Anthony Gold Solicitors LLP



Robin is a senior associate at Anthony Gold. He specialises in property litigation, especially landlord and tenant disputes, and the regulatory law relating to rented property.

Robin's practice involves acting for landlords, tenants, property professionals, homeowners and businesses. Robin often acts in tribunal appeals, including appeals against improvement notices and prohibition orders, rent repayment order cases, and financial penalties under housing and consumer rights legislation.

Robin also advises on consumer law and trading standards and advises property professionals with updating their terms of business and tenancy agreements.

# Legal Update

ROBIN STEWART

ANTHONY GOLD SOLICITORS



# Legal Update

- Renters Reform Bill in the Queens Speech
  - Section 21 notices
  - What else?
- The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022
- Fire Safety Act 2021 now in force
- Cladding, EWS1 forms, and the Building Safety Act 2022
- Right to Rent changes
- Gas Safety Certificates and Section 21 notices – the latest position
- EPCs and Minimum Energy Efficiency Standards

# Renters Reform Bill

- Abolishing so called 'no fault' evictions by removing Section 21 of the Housing Act 1988, providing security for tenants in the private rented sector and empowering them to challenge poor practice and unfair rent increases without fear of retaliatory eviction.
- Reforming possession grounds for landlords, introducing new and stronger grounds for repeated incidences of rent arrears and reducing notice periods for ant-social behaviour, ensuring that they can regain their property efficiently when needed.
- Applying the legally binding Decent Homes Standard in the Private Rented Sector for the first time ever, giving tenants safer, better quality and better value homes.
- Introduce a new Ombudsman for private landlords so that disputes can easily be resolved without the need to go to court, which is often costly and lengthy, and ensure that when residents make a complain, the landlords take action to put things right.
- Introducing a new property portal to help landlords understand their obligations, give tenants performance information to hold their landlord to account as well as aiding local authorities.



# The Smoke and Carbon Monoxide Alarm (Amendment) Regulations 2022

- Draft regulations but almost certain to become law without changes on 1 October 2022
- Amends 2015 Regulations to bring social landlords into scope of the existing requirements and extend mandatory requirements for carbon monoxide alarms in private and socially rented homes in England.
- New requirement for landlords to provide alarms in any room with any fixed combustion appliance (excluding gas cookers)
- New obligation on landlords, following a report from a tenant, to repair or replace alarms as soon as reasonably practicable when they are found to be faulty.
- New duty is placed on Local Housing Authorities to consider any written representations made by the landlord against a remedial notice, including provisions relating to the suspension of the notice and an obligation to inform the landlord of the outcome of the consideration.
- Properties licensed under Part 2 or 3 Housing Act 2004: amended mandatory condition will only apply to licenses granted on or after these Regulations come into force.



# Fire Safety Act 2021

## INFORMATION

- Brought into force on 16 May 2022
- This Act amends the Regulatory Reform (Fire Safety) Order 2005 to make clear that the Fire Safety Order applies when the premise is a building containing two or more sets of domestic premises:
  - To the building's structure and external walls and any common parts;
  - To doors between domestic premises and common parts. (e.g. Flat entrance doors and other doors adjacent to common parts that provide – or line – escape routes from multi-occupied residential buildings.)





# Cladding & EWS1 forms

- EWS1 forms a requirement from lenders, not the Government or law: “industry-wide valuation process which will help people buy and sell homes and re-mortgage in buildings above 18 metres (six storeys).”
- In January the government withdrew its consolidated advice note (CAN) which was widely interpreted as advising the use of External Wall Fire Review (EWS1) forms on all residential tower blocks. New guidance PAS 9980 intended to bring proportionality back to assessing medium-rise buildings and ‘significantly reduce the number of unnecessary surveys required’
- Government wants to limit the requirement for EWS1 forms to unlock parts of the market which are frozen:
  - Michael Gove: “On EWS1 forms, we can dramatically reduce their use as a result of the engagement that we have with lenders and with RICS. Again, it will still be the case that, in the meantime—even as we get a more proportionate approach—there will be some 11-to-18 metre buildings where work of that kind will be required, but we absolutely want to reduce it.



# Building Safety Act 2022

- Technical changes concerning liability for building defects
- New Building Safety Regulator
- New Home Ombudsman
- Some measures to protect leaseholders from the costs of remediation



# Right to Rent changes

- Since 6 April 2022 landlords cannot accept biometric residence cards or permits and must ask the tenant for a 'share code' instead.
- Since 6 April 2022, options are:
  - 1. a manual right to rent check
  - 2. a right to rent check using Identity Verification Technology (IDVT) via the services of an identity service provider (IDSP)
  - 3. a Home Office online right to rent check
  - [4. The Landlord Checking Service, e.g. if outstanding application or appeal]
- Subject to the changed rules regarding Biometric residence cards and permits, it remains possible to do an 'online manual check of documents' until 30 September 2022.



# Gas Safety Certificates and Section 21 notices

- Supreme Court finally refused permission to appeal in *Trekarrell House Limited v Rouncefield*
- Not the end of gas safety certificates as a defence to section 21 possession claims
- Will the Renters Reform Bill keep a link between compliance and notices seeking possession?



# EPCs and Minimum Energy Efficiency Standards

- FAQs:
  - EPCs and HMOs
  - EPCs and section 21 notices
  - Listed buildings
- The future of MEES (minimum standards)
  - Residential property: currently E, to be C by 2030 or sooner.
  - Non-domestic property: B by 2030.

# Questions

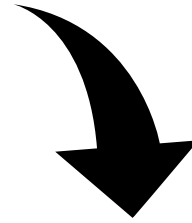
**Contact Robin Stewart**  
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# Become a steering group member



[https://nationalhmonetwork.com/  
join-the-steering-group/](https://nationalhmonetwork.com/join-the-steering-group/)

Thank you!