

Renters (Reform) Bill, Public Bill Committee evidence submission- St Mungo's

About St Mungo's

[St Mungo's](#) is a leading homelessness charity with national influence. We work in partnership with local authorities, health colleagues and communities, to end homelessness and rebuild lives. Last year, we supported more than 28,000 people who were homeless, or at risk of homelessness through 180 services.

In addition to our frontline services, St Mungo's is committed to public policy solutions that support our aim to end homelessness. To this end, we provide the secretariat for the well-respected, cross sector [Kerslake Commission on Homelessness and Rough Sleeping](#).

Summary of recommendations

- The Committee should recognise that the bill presents an opportunity to give more balance to the landlord-tenant relationship as currently there is a significant power imbalance in favour of the landlord.
- Instead of a mandatory eviction notice for repeated rent arrears, tenants should be able to access a suitable repayment plan as well as signposting to services which offer either financial or personal assistance. Discretion should be used where the tenant is claiming Universal Credit, on a low income, or in fluctuating work. A court hearing offers an excellent opportunity to make interventions in an official setting, provided that judges are equipped with sufficient knowledge about the needs and experiences of vulnerable tenants.
- Only severe examples of ASB, such as violence, should lead to eviction, unless a significant amount of mediation and support has been offered to the household.
- We would advise against removal of the reapplication duty as the rationale of concerns that applicants given a PRS offer could become homeless again within two years could remain, given the removal of all fixed terms and the potential for a notice to be served within 6 months for all possession grounds except the moving, selling and redevelopment grounds, and the existence of mandatory grounds for possession.
- Regarding local authority homeless duties, St Mungo's supports an approach to amend the definition of being threatened with homelessness, so it refers to Section 8, rather than Section 21 – "A person is also threatened with homelessness if valid notice has been given to the *person under section 8 of the Housing Act 1988*".

Tenancy reform

St Mungo's supports the abolition of Assured Shorthold Tenancies (including Section 21 notices) under the Housing Act. As homelessness is often triggered by the end of an assured shorthold tenancy, we fully support the proposed reforms to end Section 21 no-fault evictions. Requiring landlords to have a valid reason to evict a tenant will reduce the likelihood of frequent moves, and hopefully enable people with a history of homelessness to embed themselves in local communities, access the support they need to rebuild their lives, and ultimately avoid a return to rough sleeping.

The removal of Section 21 will require new measures for landlords to regain possession of property where necessary. However, in this area, the Committee should recognise that the bill presents an opportunity to give more balance to the landlord-tenant relationship as currently there is a significant power imbalance in favour of the landlord.

Rent arrears

At St Mungo's we understand the importance of tenants paying their rent in full and on time, in part to protect the financial stability of their landlord but also to reduce their levels of debt and the risk that they will face eviction. We appreciate that landlords may need to issue an eviction notice when tenants are in two months of arrears. However, in many cases tenants struggle to pay their rent due to external circumstances and should be offered tenancy sustainment support and financial assistance rather than face eviction, which could leave them homeless.

In some cases, these arrears come about due to issues with the welfare system (and particularly Universal Credit), which many tenants rely on to pay their rent. Citizen's Advice found that 44% of people who were claiming Universal Credit who approached them for support had rent arrears, compared to 31% of legacy benefit claimants.¹ This can be due to the lengthy wait for a first payment, claimants struggling with money management and limited access to support (especially for those who have previously never paid rent themselves to a landlord), and administrative issues such as problems with calculating monthly payments for tenants who pay their rent on a weekly basis. To qualify for an Alternative Payment Arrangement under Universal Credit, which allows the DWP to pay rent directly to their landlord, a tenant must either have a vulnerable characteristic, be in two months' full rent arrears, or have continually underpaid rent for at least two months' and accrued at least one full month's arrears.

Other tenants may be in very low paid or insecure work, reliant on Discretionary Housing Payments, or simply have insufficient income to pay their rent and living costs – particularly in the Private Rented Sector where welfare payments have not been linked to local levels of rent since LHA rates were frozen in 2020. Consequently, research published in March 2022 showed low-income households were facing an average £372 deficit between their Local Housing Allowance and the cost of the cheapest monthly rents in their local areas.²

Given the difficulties which many tenants face in paying their rent on time, often through no fault of their own, we would prefer a more supportive response to rent arrears. Instead of a mandatory eviction notice, tenants should be able to access a suitable repayment plan as well as signposting to services which offer either financial or personal assistance. Discretion should particularly be used where the tenant is claiming Universal Credit, on a low income, or in fluctuating work. A court hearing offers an excellent opportunity to make interventions in an official setting, provided that judges are equipped with sufficient knowledge about the needs and experiences of vulnerable tenants.

However, we also recognise that these proposals may cause concern to landlords, and want to emphasise the need to reform the welfare system, and improve the availability of support

¹ [Citizen's Advice \(2019\) *Managing Money on Universal Credit*. Available at \[https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\\(FINAL\\).pdf\]\(https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20\(FINAL\).pdf\)](https://www.citizensadvice.org.uk/Global/CitizensAdvice/welfare%20publications/Managing%20Money%20on%20Universal%20Credit%20(FINAL).pdf)

² <https://www.crisis.org.uk/about-us/media-centre/families-at-risk-of-eviction-as-cost-of-living-crisis-escalates/>

services, to reduce the likelihood that tenants will accrue rent arrears in the first place. This must include improving the administration of Universal Credit, increasing the amount of support that people in the PRS can claim in order to meet their rent, investment in tenancy sustainment services which can support tenants to manage their finances on an ongoing basis and crucially, a restoration of LHA rates to cover the bottom 30th percentile of rents in each local area.

Anti-social behaviour (ASB)

The bill proposes to widen the definition of behaviours considered in Ground 14 to include behaviour “capable of causing nuisance or annoyance”. This definition is insufficient and vague as it fails to distinguish between behaviour that we would consider to be inconsiderate, and that which poses a risk to neighbours and the community.

St Mungo's is highly experienced in responding to incidents of challenging behaviour and ASB, given that we frequently support those with complex needs who are more likely to purport challenging behaviours. However, our expertise as a service provider means that we are also highly aware of the complexities such as trauma, mental health challenges and substance use that can underpin these challenging behaviours. Due to the chronic shortage of social housing, many people with such needs are being housed in the private rented sector and their needs should therefore be considered in legislative regulation of the sector.

As well as being highly experienced in responding to incidents perpetrated by our clients, St Mungo's ASB case reviews often find that our client group is assumed to be responsible for incidents of ASB when in fact they are not the perpetrator. This can often be the result of stigma and presumptions towards people with experience of homelessness or those with complex needs.

Rather than widening grounds for repossession, eviction should be a last resort. Eviction can lead individuals or families to become homeless, while failing to address the root causes of ASB. Those who have a history of ASB may also struggle to access new accommodation as social housing waiting lists often exclude households with a history of ASB, and PRS landlords may require a reference from a previous landlord.

As a result, we believe that only severe examples of ASB, such as violence, should lead to eviction, unless a significant amount of mediation and support has been offered to the household.

It is crucial that landlords, and the courts, attempt to fully understand the causes of ASB and put in place measures to reduce the likelihood of recurrence. In some cases, ASB can be indicative of issues with mental health, domestic abuse or family breakdown and it would be inappropriate to issue an eviction notice without consideration for these issues.

ASB can often be addressed through access to the right support services, such as mediation or floating support. This can provide tenants with the tools they need to manage their tenancy, reduce disruption to neighbours, and sometimes address other unknown issues, while protecting the household from homelessness.

Further, there are also issues around domestic abuse being confused with ASB. We urge the Committee to consider evidence submitted by the Domestic Abuse and Housing Alliance (DAHA), of which St Mungo's is a member.

Accommodation for homeless people: duties of local authority (clause 18)

We would advise against removal of the reapplication duty as the rationale of concerns that applicants given a PRS offer could become homeless again within two years could remain, given the removal of all fixed terms and the potential for a notice to be served within 6 months for all possession grounds except the moving, selling and redevelopment grounds, and the existence of mandatory grounds for possession.

Regarding local authority homeless duties, St Mungo's supports an approach to amend the definition of being threatened with homelessness, so it refers to Section 8, rather than Section 21 – "A person is also threatened with homelessness if valid notice has been given to the *person under section 8 of the Housing Act 1988*".

We would also agree that where a local authority has accepted a prevention duty in respect of someone served with a section 8 notice they should not be able to end the duty on the basis that 56 days have passed. Whether 56 days has passed is irrelevant in determining whether someone is still at risk of homelessness, and persons should still be owed a prevention duty in these situations.

The abolition of s.21 notices should lead to a considerable reduction in caseloads for local authority homelessness services. The ending of a private tenancy is currently a leading trigger of homelessness. We accept that some private tenants will still face repossession on either the permissible landlord grounds or due to breach of tenancy (e.g. rent arrears, nuisance), but this is likely to be far fewer cases than those currently homeless due to no-fault eviction. A robust preventative approach will reduce local authority caseloads, demand on staff time, and increase prevention activity and success rates.

A key distinction from the current regime however is that all evictions will now need to go to court, which relies on a system often beset by delays. Due to these delays, it likely means that there would be a time lag between when a section 8 notice expires and when the person could become homeless. This is why the Renters' Reform Bill must be accompanied by reform and investment in the court system, to ensure cases are heard in a timely manner and there is throughput.