

Written evidence submitted by Shelter (RRB09)

Renters (Reform) Bill Public Bill Committee

Summary

- Shelter welcomes the opportunity to submit evidence to the Public Bill Committee for the Renters (Reform) Bill.
- Shelter exists to defend the right to a safe home and fight the devastating impact the housing emergency has on people and society. In 2021/22, we provided housing and homelessness advice to over 17,000 households through our emergency helpline and 15,500 households through our local hubs. Our online advice and support pages received 5.1 million visits.¹
- For too long, private renters have been living in a sector characterised by insecurity, discrimination, and poor conditions. The Renters (Reform) Bill is a once-in-a-generation opportunity to change this, by resetting the balance of power between tenants and landlords.
- Four years on from the government's promise to end section 21 'no-fault' evictions, England's 11 million private renters cannot afford to wait any longer. Since the Bill's first reading in May, tens of thousands more families have been served a section 21 eviction notice.
- This evidence submission summarises Shelter's key recommendations for amendments to the bill. In order to meet the government's ambition of creating a fairer private rented sector, the Renters (Reform) Bill must:
 1. Close loopholes to unfair evictions when section 21 is abolished.
 2. Ensure that all private renters have genuine security in their homes by extending notice periods from two to four months, the 'protected period' from six months to two years.
 3. Prevent homelessness by preserving private renters' right to access homelessness assistance from their council as soon as a possession notice is served.
 4. Urgently bring forward legislation to outlaw discrimination against renters with children and those in receipt of benefits.

¹ Shelter, [Impact Report 2021/22](#).

The need to abolish Section 21

Tackling homelessness and disruption for tenants

1. Section 21 no-fault evictions cause significant disruption and very often homelessness for tenants. These experiences can be incredibly harmful, particularly for already more vulnerable groups, and the constant threat of eviction negatively impacts the wellbeing of private renters.
2. 35% of renters say worrying about being evicted has negatively affected their mental or physical health.²
3. In a recent select committee hearing, the Health Foundation also described how frequent, disruptive moves in early years is harming the health and life prospects of young people.³
4. Shelter views the removal of the section 21 as the cornerstone of delivering a fairer and more secure private rented sector and strongly welcomes its removal in the Renters (Reform) Bill. Removing these evictions from the system would improve the health and wellbeing of private renters immeasurably.

Tackling power imbalances between landlord and tenants

5. Shelter's research has also found that private renters who had complained about conditions or disrepair in their home are two and half times more likely to report being served with a section 21 eviction notice. A further 25% had foregone making such a complaint in order to avoid a retaliatory eviction.⁴
6. This combination of factors is a key reason conditions in the private rented sector are considerably worse than in other tenures. Shelter's research found that 76% private renters have experienced disrepair in their current home.⁵
7. These figures demonstrate how much the existence of no fault, no reason evictions, shapes the dynamics between a tenant and their landlord. Without a requirement on landlords to provide reasons for eviction, tenants are prevented from and even punished for enforcing their existing rights.

Shelter's response to government announcements on court reform and section 21

8. Shelter does not support the government's approach to the implementation of section 21 evictions. The abolition of section 21 evictions would prevent a great amount of hardship experienced by private tenants. Delaying vital reforms in order to prioritise comparatively lesser hardship faced by a smaller number of landlords in regaining possession of tenants' homes is disproportionate.

² All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

³ Health Foundation, Health and Social Care Committee: prevention in health and social care, oral evidence session, 5 September 2023

⁴ All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

⁵ *Ibid.*

9. Median timings between claim and possession orders have reduced significantly since Q3 2021, returning to pre-pandemic levels. For non-accelerated proceedings (broadly, section 8 evictions) this figure stands at 8.4 weeks for Q3 2023.⁶ While this may be slightly higher than is desirable, there has been a consistent downward trend in recent quarters. The *minimum* time between a claim and court hearing is in most cases 4 weeks, thus the time between claim and *order (the end of proceedings)* cannot be reduced much further through reform.
10. The expected pressures on the court system resulting from scrapping section 21 have been overstated. Firstly, the vast majority of evictions are concluded with tenants vacating properties before court proceedings. This is likely to remain true. Secondly, many possession cases that are currently brought via section 21 would not be legitimate claims under section 8, because they would not be lawful grounds for eviction. In all, we would expect to see fewer possession claims and fewer evictions overall under the new system than presently.
11. Further, with clear, well-established possession grounds and with government activity to increase rights awareness, courts should see section 8 cases more easily resolved. Many delays are related to incorrectly supplied evidence.
12. Shelter recognises the need for improvements that would make court proceedings more efficient and reduce pressures on the county court system. This could also greatly benefit tenants in their experience of the county court system.
13. Shelter has long campaigned for increased provision and expanded eligibility of legal aid. Our advice and legal teams see many cases that, with good early legal advice, could and should have been resolved before reaching court hearing stage. Expanding legal aid eligibility and provision would alleviate pressure on the court system.
14. Lastly, as recommended by the Law Society, to address delays and flaws in local court systems – which can also cause challenges for tenants – the government should invest more in court administration, staffing and venues.⁷ There will be ample time before the new laws are implemented, for the government to put in place sufficient funding to improve the court experience for tenant and landlord.

15. Recommendation: The government should set clear timelines for the abolition of section 21 following Royal Assent to the Bill.

Protecting tenants against homelessness

Preventing short notice, frequent eviction to tackle homelessness

16. Short notice, unexpected moves put tenants at risk of homelessness. Our research shows it took 34% of renters longer than 2 months to find a new privately rented home the last time they moved. That increased to 40% of renters with children, and 46% of Black renters.⁸

⁶ MoJ, Mortgage and landlord possession statistics Q3 2023, November 2023

⁷ The Law Society, Are our courts fit for purpose?, 2022

⁸ All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

17. Where these moves are frequent, a feature of our current system, this chance of homelessness increases given the often prohibitive costs of moving home and the impact tenants' finances. Shelter's research found the average total cost of moving was £1,514.⁹
18. **Recommendation: The Bill should be amended to increase notice periods for Grounds 1 and 1A from 2 months to 4 months. Tenants should have the flexibility to move out during the notice period without incurring further liability for rent.**
19. **Recommendation: The Bill should be amended to increase the period of protection against new 'no fault' eviction grounds from 6 months to 2 years.**

Retaining homelessness support for tenants facing eviction

20. In its current form, the Renters (Reform) Bill's amendments to homelessness legislation mean that private renters who receive a possession notice will no longer have the right to immediate help from the council to avoid homelessness. The law would no longer specify when the 'prevention duty' should be available, following service of a notice. Instead, it would be left to the discretion of the council to decide when the person is threatened with homelessness.
21. This could result in tenants who have been served notice being turned away by the local authority and told to come back when they have a date for a court hearing. This could waste precious time in which people could get vital assistance to avoid eviction, such as help with defending possession proceedings or finding a suitable alternative home.
22. **Recommendation: The Bill should be amended to make sure private renters maintain the right to access homelessness assistance from their local council as soon as a possession notice is served. The reapplication duty should also be retained.**

Proportionate, robust and loophole free Section 8 eviction grounds

Reducing the instances of eviction

23. Section 8 possession grounds and associated policies should reflect the fact that evictions cause significant disruption to tenants' lives and are an extreme measure. The Bill should be guided by the core aim of reducing insecurity in the sector, and as such limiting the instances of eviction to cases where there are no alternative courses of action.
24. **Recommendation: Shelter supports the Renters Reform Coalition's recommendation for all Section 8 eviction grounds to be made discretionary, as is currently the case in Scotland. At the very least grounds 1 (landlord or family member moving in), 1A (landlord sale), ground 2 (repossession by mortgage lender), ground 6A (compliance with enforcement action) and all rent arrears related grounds should be made discretionary.**

Tackling disproportionate and unfair evictions

25. As the government's background briefing to the King's Speech highlighted, over a quarter of households that moved in the last year did not do so by choice.¹⁰ This shows that unwanted

⁹ *Ibid.* This includes refundable things like deposits and rent in advance, and non-refundable things like van hire and fees.

¹⁰ Prime Minister's Office, The King's Speech 2023: background briefing notes, November 2023

moves caused directly by the use of eviction notices and also indirectly due to the threat of eviction (such as those forced to move out due to a high rent increase), have a significant effect on the sector overall.

26. Setting out clearly the legitimate reasons and the evidence required for landlords to regain possession of their homes would reduce the number of possession claims because many evictions under the current section 21 system are unfair or disproportionate – and would not in a section 8 system, meet the bar for eviction.
27. Some examples of such evictions include eviction for minor behavioural complaints, and for low level, recoverable arrears. For example, the Tenancy Deposit Scheme’s research from 2023 found that 80% of tenants are not behind on rent, and “in most cases the duration of arrears is relatively short”.
28. Scrapping section 21 evictions should prevent many of these evictions from ever occurring. But it is important that new and reformed section 8 grounds are proportionate, robustly designed, with detailed evidential requirements, as well as secure against abuse.
29. Ground 8A for example, is extremely punitive and does not reflect that tenants may face unavoidable short term income shocks which could lead to repeated but short term, fully recoverable arrears.
30. **Recommendation: Clause 3 should be amended to remove the newly introduced ground, 8A.**

Preventing abuse of eviction grounds and closing loopholes to unlawful evictions

31. As it currently stands, some eviction grounds remain vulnerable to abuse and landlords could use these grounds to continue to carry out retaliatory and unfair evictions.
32. **Recommendation: Shelter supports amendments proposed by the Renters Reform Coalition to introduce more detailed evidential requirements in grounds 1 and 1A, as well as post-eviction evidence, to prevent and deter abuse of these grounds.**
33. **Recommendation: Clause 10 should be amended to extend no relet period, increased from 3 to 12 months and to apply it to all types of eviction under grounds 1 and 1A, not just where tenants vacate the home without a court order.**
34. **Recommendation: Shelter supports the Renters Reform Coalition’s call for Rent Repayment Orders for tenants wrongfully evicted or where the no relet period has been broken, to aid enforcement of the new tenancy system and to fairly compensate tenants for losses incurred.**

Shelter’s response to reforms related to anti-social behaviour

35. Anti-social behaviour (ASB) negatively affects communities and individuals (including Shelter service users) experiencing it. Shelter supports measures to effectively address this important issue. However, there are significant risks in the government’s proposed method.

It is vital that policies aimed at easing the process of eviction for landlords, neighbours and household members, do not undermine or deny justice for those facing accusations of anti-social behaviour and eviction.

36. **Shelter opposes the wording change made to ground 14 from “likely to cause nuisance” to “capable of causing nuisance or annoyance”.** Lowering the threshold for eviction risks placing already marginalised groups, who are more likely to be accused of anti-social behaviour, at greater risk of eviction and encouraging landlords to take action against individuals where it would not be proportionate to remove a tenant from their home.

37. Shelter also believes that evictions are an ineffective solution to anti-social behaviour.

38. A dire lack of supported accommodation, independent living and tenancy sustainment support schemes means that many people are living in the private rented sector with unmet support needs. Compounded by funding cuts to health and social care, tenants with additional support needs who are exhibiting behaviours that either are or may be perceived as anti-social behaviour, lack the support they need to address the behaviour or help others understand the behaviour. Evictions do not address the problems at hand and risk exacerbating them.

39. **The government should consider measures to address, rather than move elsewhere, anti-social behaviour, such as by increasing funding to support and tenancy sustainment services.**

Preventing de-facto unfair evictions via rent increases

40. With tightly designed and robust section 8 grounds, there remains a risk of unaffordable rent increases becoming an alternative route to unfair and retaliatory evictions. As currently drafted, the Bill would allow landlords to increase in tenancy rents with only market level rent as an upper limit should tenants challenge the new rent at a Tribunal. In many circumstances, this could result in tenants seeing their rent increased by a significant proportion.

41. This will replicate challenges with section 21 evictions and undermine core reforms in the Bill. Tenants risk facing de-facto eviction via rent increases and even where the landlord has not increased the rent, tenants will be deterred from enforcing their rights for fear of being served with notice of an unaffordable rent increase in response.

42. ONS analysis published in November found that prices rose in England and Wales by more than 10% for 1 in 5 rental properties within the year to September.¹¹ Shelter’s recent research found that 56% of renters say they would not be able to afford a rent rise of 10% or more.¹²

¹¹ ONS, Changes in private rental sector behaviour, England and Wales: February 2022 to September 2023, November 2023

¹² All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

43. **Recommendation: Shelter supports the Renters Reform Coalition's calls for indexed limits to annual rent increases. This could be tied to either the lowest of inflation (CPI) and median wage growth (averaged on a rolling 3-year basis).**

Shelter's response to government announcements on student accommodation

44. **Shelter does not support a new eviction ground for rented homes occupied by students.**
45. We are concerned that exemptions for students from these reforms would risk creating a two-tier system in which student and non-student renters benefit unequally from the reforms, as well as unintended consequences resulting from grouping all 'students' together under such a ground.
46. Students are not a homogenous group and rent in a variety of living and household set ups. Many have families, caring responsibilities, links to their local area and/or rent with others who are not students. A new no-fault eviction ground for students risks adversely impacting vulnerable renters such as those being cared for by students in their household or students who need longer term tenancies - for example if they have dependent children – leaving them exposed to frequent unwanted moves.

Effective enforcement of standards

Introducing a well-designed property portal

47. Shelter strongly supports the introduction of the private rented property portal.
48. A well designed, resourced and enforced portal will help local authorities crack down on criminal landlords and make it easier for good landlords to keep up to date with the latest regulations and their obligations, as well as allowing renters to check vital information before entering into a tenancy agreement and hold landlords to account.
49. It is vital that the portal includes the information tenants and local authorities need to uphold new and existing legislation, but currently what exactly will be included in the first iteration of the portal is not clear. The bill should be amended to guarantee a minimum set of expectations for the newly designed portal.
50. The government should also ensure that the portal is able to aid local authority and other enforcement bodies in seeing through unusual business set ups, such as rent-to-rent schemes, which could be abused and enable criminal and non-compliant landlords to circumvent accountability on the portal.
51. **Recommendation: The bill should be amended to require the development of the portal to include information on:**
- **Landlords, superior landlords and managing agents, including contact details and details of each of their properties**
 - **Past enforcement action against landlords, including Rent Repayment Orders and banning orders.**
 - **Basic safety information including gas safety, EICR, proof of smoke and carbon monoxide alarms and EPCs.**

- **Current rent levels, so that renters can check their rent against average rents in their area and more easily challenge unfair rent increases.**
- **The use of possession notices and actual evictions where certain grounds, such as ground 1 and 1A, have been used to allow local authorities to ensure that the reasons given to evict a tenant were a genuine reflection of the landlord's intentions and to enforce the no re-letting period.**
- **Whether properties are in a selective licensing area and whether they're subject to additional HMO licensing.**

Retaining access to the court system

52. While an Ombudsman would be a great help for some types of problem, its effectiveness will be heavily dependent on how it is designed and its relationship to other parts of the regulatory system.
53. The government should not view the Ombudsman as a capacity solution for over-burdened courts, rather an additional avenue for raising complaints and taking action. Many tenants would be better served by having thorough legal advice and improved access to justice.
54. Improving access to legal aid would have the added benefit of reducing delays in the courts; early and comprehensive legal advice will give complainants the tools they need to make well-informed choices about court action and even resolve cases before reaching the court proceeding stage.
- 55. Recommendation: the government should remove barriers to accessing Legal Aid and take measures to increase its availability across the country.**

Removing barriers to accessing homes and tackling discrimination

Outlawing blanket bans on tenants claiming housing benefit and with children

56. Shelter strongly supports the government's white paper proposal to outlaw refusals to let to tenants in receipt of housing benefit and those with children.
57. 'No DSS' and 'No Kids' policies are still too widespread in the sector. Shockingly, 52% of landlords would not let or prefer not to rent to people in receipt of housing benefit.¹³
58. Over 110,000 families who have been unable to rent a home they wanted to in the past 5 years simply because they have children¹⁴, and for over 385,000 households who were unable to do so due to their benefit status.¹⁵

¹³ All figures are from a YouGov survey of private landlords in England. Total sample size was 1007 adults. Fieldwork was undertaken between 14th - 26th July 2023. The survey was carried out online.

¹⁴ All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

¹⁵ *ibid.*

59. These discriminatory practices disproportionately impact women, disabled households and people of colour and are already unlawful as indirect discrimination under the Equality Act 2010.
60. A new law to make such practices directly illegal has the potential to clarify the law and make discrimination challenges simpler for tenants and local authorities to bring, raise awareness of landlord and letting agent responsibilities to treat prospective tenants equitably and kick start further efforts to make the rented sector more accessible.
61. **Recommendation: the government must introduce clauses during committee stage to prohibit these letting agent and landlord policies and practices as promised. This legislation should make clear what constitutes a breach of the policy and cover both overt and covert forms of refusal to let to these households – such as refusing viewings and applications for properties for without good reason.**

Addressing informal barriers to marginalised and low-income households accessing private rented homes

62. However, a simple prohibition on blanket bans policies and practices would not address discriminatory practices in the sector entirely. Instead, this should be seen as the first crucial step in a suite of measures to make accessing rental properties a more equitable process.
63. Further measures are needed to address the more informal barriers to private renting that will proliferate as letting agents and landlords simply change their tactics - such as asking for multiple months' rent in advance and that renters appoint a high-earning guarantor.
64. Shelter's research has found that:
65. 59% of the tenants we surveyed report that they were asked to pay rent in advance when attempting to secure a property the last time they moved, some of whom were asked for in excess of 6 months' rent upfront.
66. 1 in 10 have been denied a property in the last five years because they were unable to afford the rent in advance.
67. Many tenants are not able to fully cover the cost of moving to a new private rented property (including rent in advance demands) by themselves. Tenants reported using their credit card or overdraft, taking out loans or relying on gifts from family/friends or the bank, or applying for charitable aid in order to meet their moving costs.
68. 21% of tenants were asked to appoint a guarantor. Where the appointment of a guarantor was required, 32% of tenants told us that they found it difficult to appoint a suitable person.¹⁶

¹⁶ All figures are from a YouGov survey for Shelter of 4,023 private renting adults (18+) in England. The survey was conducted online between 14th July – 16th August 2023, and the results were weighted to be representative of private renters.

69. Few people from low-income households will know someone who can afford to absorb the risk of being appointed a guarantor, especially when they themselves may be renting.
70. It is likely that these challenges will only increase when it is made directly unlawful for landlords to apply blanket bans on tenants claiming housing benefits or with children. Therefore, the government must be proactive in preventing these discriminatory practices to continue via other strategies.
71. **Recommendation: the government should cap the amount of rent in advance a landlord or managing agent can request to one month to ensure households at the lower end of the income scale are not prevented from securing a property in the private rented sector.**
72. **Recommendation: the government should set restrictions on the scenarios in which a landlord or letting agent can legitimately request a guarantor. A tenant should not be asked to appoint a guarantor if:**
- **A deposit and/or rent in advance has been paid, or**
 - **where a tenant's income (inclusive of any benefits they receive) is sufficient to cover the full rent, or**
 - **where a landlord has obtained insurance covering any non-payment of rent, or**
 - **where a tenant has obtained insurance covering any non-payment of rent**
73. **Recommendation: Where these criteria have not been met and a landlord or managing agent can legitimately request a guarantor, the government should restrict the amount that can be guaranteed to six months' rent to improve a tenant's chances of appointing a suitable candidate.**

Where these criteria have not been met and a landlord or managing agent can legitimately request a guarantor, the government should restrict the amount that can be guaranteed to six months' rent to improve a tenant's chances of appointing a suitable candidate.

Ending hostile environment policies which fuel discrimination and racism

74. Shelter has long campaigned for an end to the discriminatory Right to Rent policy.
75. This policy not only leads to landlords turning away people without a regularised immigration status. It has also been shown to lead to discrimination against migrants and racial discrimination.¹⁷
76. As the National Residential Landlords Association have pointed out, landlords will fear getting Right to Rent checks wrong and be more cautious about who they rent to – fuelling unequal outcomes in the rental market, including for British nationals who have a legal right to rent but lack the documentation to prove it.

¹⁷ Shelter, Time for change: making renting fairer for private renters, November 2020; Home Office, Right to Rent scheme: Phase Two evaluation, February 2023.

77. Recommendation: the bill should be amended to scrap the Right to Rent policy.

November 2023