# Written evidence submitted by the Renters' Reform Coalition (RRB27) Renters' Rights Bill – Public Bill Committee Submission

- 1. The Renters' Reform Coalition (RRC) is made up of 21 leading housing organisations from national housing charities and think tanks, to advice centres and renters' unions. We are united in our mission to reform the private rented sector so that everyone who relies on it for their housing can prosper. For more information and to see our full membership, visit our website <a href="here">here</a>. Additionally, please contact Tom Darling (Director of the RRC), via <a href="mailto:tom@rentersreformcoalition.co.uk">tom@rentersreformcoalition.co.uk</a> for more information.
- 2. This submission draws on the RRC's full report on the Renters' Rights Bill, *Roadmap for Reform*. Given that this submission is presented on behalf of a large number of organisations, it exceeds the recommended word count.

#### **Executive Summary**

- 3. The RRC welcomes the introduction of the Renters' Rights Bill to parliament, and commends the government for working at pace to introduce this legislation. Many of the commitments in the Bill will be welcomed by renters, including the abolition of Section 21 evictions, longer notice periods, and the banning of bidding wars. As introduced, the Renters' Rights Bill is a serious and credible attempt to deliver the much-needed rebalancing between tenants and landlords, particularly with regards to security of tenure and quality.
- 4. However, we believe that there is room to improve the Bill as initially drafted, to deliver fully on the government's aim to address the 'insecurity and injustice that too many renters experience.' Our proposed changes to the legislation set out below seek to enhance the government's delivery of that vision.
- 5. The key changes we are proposing are summarised below:
  - No fault eviction compensation an automatic right to non-payment of rent in the final two months before a tenant vacates, in cases where a landlord has used nofault eviction grounds, to compensate for the costs and disruption of a no-fault eviction, and to act as a disincentive against abuse of these grounds.
  - A protected period of 2 years, where tenants cannot be subject to new no-fault eviction grounds.
  - All grounds for possession should be made discretionary.
  - The government should establish a National Rental Affordability Commission to investigate effective methods to make renting more affordable, including rent controls.
  - Rent stabilisation a cap on in-tenancy rent increases, linked to the lowest of either inflation or wage growth.
  - Mediated rent pauses for serious disrepair a new legal right to pause rent payments where a landlord fails to carry out essential repairs within a defined timeline, to be mediated by a neutral third party.

- Strengthening enforcement and selective licensing.
- Ending all forms of discrimination in the private rented sector.
- Cracking down on illegal evictions.

#### Why we need reform

- 6. Private renting is England's most expensive, least secure, and lowest quality tenure. 1 A very small proportion of people want to be living in the private rented sector long-term,<sup>2</sup> but with as many as 1 in 3 millennials potentially renting from cradle-to-grave, it is clear that reform to deliver a fairer, higher quality and more affordable deal for renters is long overdue.3
- 7. Privately renting is beset with insecurity. Currently, all private renters face the constant threat of a Section 21 eviction, and a quarter of all private renters have lived in three or more private rented homes in the previous five years.4 Constant insecurity means that renters are less likely to put down roots in their communities, less likely to participate in democratic processes, and less likely to feel secure enough to make important life decisions such as starting a family.<sup>5</sup> Fear of eviction can also prevent tenants from complaining about disrepair in their homes.
- 8. Losing a home can be traumatic and stressful for anyone, but for those already struggling it can be particularly damaging. Since the initial pledge to scrap Section 21 evictions, over 100,000 people have been threatened with or made homeless due to a Section 21 eviction. 6 Section 21 evictions are putting extra pressure on already overstretched local authorities: temporary accommodation cost councils at least £1.74bn in 2022/23.7
- 9. Privately rented homes suffer from the worst conditions of all tenures, with 1 in 5 privately rented homes not meeting the Decent Homes Standard and more than 1 in 10 having a Category One hazard. Poor conditions have a knock-on impact on tenants' physical and mental health – with poor housing costing the NHS an estimated £1.4bn per year. PResearch suggests that many private tenants do not report poor conditions for fear of being evicted: tenants who made a formal complaint about their home to a authority or redress scheme had a shocking 46% chance of being issued with a Section 21 eviction notice within 6 months. 10
- 10. On average, private renters spend 32% of their income on rent, compared with 26% for social renters and 18% for mortgagors. 11 35% of tenants reported finding it difficult to pay monthly rent in 2024, rising to 56% of renters who are not working because of long-

<sup>1</sup> https://www.gov.uk/government/collections/english-housing-survey-2022-to-2023-headline-report

<sup>&</sup>lt;sup>2</sup> https://www.locarla.com/pdf/Home-ownership-or-bust-Oct16.pdf see p.23

https://www.resolutionfoundation.org/press-releases/up-to-a-third-of-millennials-face-renting-from-cradle-to-grave/

https://england.shelter.org.uk/media/press release/every seven minutes a private renter is served a no-fault eviction

<sup>&</sup>lt;sup>5</sup> On renters' voting habits, see https://www.bbc.co.uk/news/articles/clmm774k34zo. On delaying life events, see https://www.vbs.co.uk/w/news/mortgage-milestones.

https://www.gov.uk/government/statistics/statutory-homelessness-in-england-january-to-march-2024

<sup>&</sup>lt;sup>7</sup> https://www.local.gov.uk/about/news/ps174-billion-spent-supporting-104000-households-temporary-accommodation

https://www.gov.uk/government/statistics/chapters-for-english-housing-survey-2022-to-2023-headline-report/chapter-4-dwellingcondition#dwelling-quality-and-condition

<sup>9</sup> https://bregroup.com/news/bre-report-finds-poor-housing-is-costing-nhs-1.4bn-a-year

 $<sup>^{10}\,\</sup>text{https://assets.ctfassets.net/mfz4nbgura3g/fHcRyDZFvY8DT60h9HFyd/96bd9e233a67244f741efa163b8ce426/Touch~20and~20go~20-~20final.pdf}$ 

<sup>11</sup> https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-affordability-and-cost-of-living-fact-sheet/english-housingsurvey-2022-to-2023-affordability-and-cost-of-living-fact-sheet

term sickness and 47% of those in a bedsit or shared home. And despite many households already struggling to pay the rent, rents keep rising at record levels, far outstripping wage growth and the general rate of inflation. In September 2024, UK inflation dipped to 1.7%, but private rents increased 8.4% in the same period. Renters' Rights Bill does not do enough to tackle the cost-of-renting crisis. The government must clearly set out what it intends to do to bring rental prices down.

#### Section 21 abolition and introduction of periodic tenancies

- 11. The RRC supports the government's commitment to bring in the new tenancy system, including scrapping Section 21, shortly following Royal Assent. We opposed the previous government's proposal to tie the timing of implementation to changes to the justice system, which prioritised landlord interests over the needs of tenants who have now waited more than five years since the end of Section 21 was first promised.
- 12. Section 21 evictions cause financial hardship and mean that renters have to rebuild their lives in a new home and neighbourhood. Last winter, Shelter calculated that 814,000 renters were under threat of eviction.<sup>15</sup>
- 13. We support the digitisation of the justice system, which could have benefits for tenants and landlords alike. However, this should not be pursued at the cost of access to justice for tenants: the court process must also be accessible to tenants who do not have internet access, struggle to navigate technology, or otherwise need further support.
- 14. We welcome the end of fixed-term tenancies. Without the cycle of fixed terms and break clauses, renters will have greater flexibility and stability, able to leave their home at a time of their choosing.
- 15. We refute the claim that the abolition of fixed-term tenancies will lead to 'AirBnB lite.' <sup>16</sup> The vast majority of private tenants want to stay in their home for a long period and reap the benefits of a stable home, and anyone who has undertaken the process of entering a tenancy as a renter knows how protracted this process can be. In Scotland, similar reforms have actually led to a significant increase in the average length of tenure. <sup>17</sup>
- 16. We opposed the 'tenant trap' proposed by the previous government which would lock tenants into tenancies for the first six months. Being able to move out at a time of the tenants' choosing is an important safeguard: periodic tenancies enable renters to exit a tenancy where, for instance, a property is not as advertised, or serious disrepair comes to light after moving in. There might be other circumstances in which a renter may need to exit a tenancy, such as if they were fleeing domestic violence. We anticipate that, given most renters' desire for housing stability, tenants will only seek to leave their homes quickly in a vanishingly small number of cases.

<sup>12</sup> https://www.tdsfoundation.org.uk/ files/ugd/797dbe 168124ec97fe4c988da27af5961850b9.pdf

<sup>13</sup> https://www.bbc.co.uk/news/articles/czxde3779lxo

<sup>&</sup>lt;sup>14</sup> https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/october2024

<sup>15</sup> https://england.shelter.org.uk/media/press release/814000 private renters under threat of eviction this winter

<sup>16</sup> https://www.theguardian.com/money/article/2024/sep/11/landlords-response-to-labour-renters-rights-bill

<sup>17</sup> https://rentbetter.indigohousegroup.com/wp-content/uploads/sites/3/2022/05/Wave3-FINAL-Main-Report-AE090924-publication.pdf p.51

### **Notice periods**

- 17. We welcome the lengthening of notice periods to four months for many Section 8 grounds for eviction, as short notice periods are a big part of the reason why the current system is a leading cause of homelessness. However, we recommend that the government goes further to protect tenants and increases the notice period for any nofault possession grounds to six months. This would provide extra security particularly important for families with school-aged children and bring England's policy on no-fault eviction notice periods in line with that of Wales. 18 See proposed amendment 13.
- 18. In addition, the government should consider allowing tenants to move out during the notice period if they find a home sooner, without being liable to pay further rent. The majority of rental listings have a proposed start date less than two months after they are advertised, so for tenants to reap the benefits of the longer notice period, they may need to leave before the four months have elapsed. Many renters do not have savings and are unable to afford long periods of 'double rent.' Tenants should be able to give one month's notice should they wish to end a tenancy during the notice period.

## **Protected period**

- 19. The Renters' Rights Bill creates a 'protected period' of 12 months at the start of a tenancy, where landlords will not be able to serve their tenants with a no-fault eviction. We welcome that this commitment is longer than the 6 months proposed by the previous government. However, we believe that tenants should be protected from eviction through the new no-fault grounds for the first two years of a tenancy. See proposed amendment 15 in the Annex.
- 20. A lack of security is a central problem for private renters. Private renting does not have to be so insecure the median length of a tenancy in the UK is just under three years, but the average in Germany is 11 years. <sup>19</sup> Insecurity erodes renters' sense of belonging, and constant moving has a heavy financial cost.
- 21. Landlords should be able to foresee no-fault eviction circumstances before the start of a tenancy. In the case of the sales ground, there is no reason why selling with sitting tenants should not become the default, to prevent damaging evictions. The two-year period was initially consulted on by the Department for Levelling Up, Housing and Communities in its 2019 consultation and was supported by Labour in opposition.<sup>20</sup>

# Discretionary eviction grounds

22. Some of the new proposed grounds for eviction are 'mandatory' grounds. Mandatory grounds prevent the Court from taking tenants' circumstances into account, and proposing alternative courses of action to a damaging eviction. In exceptional

<sup>18</sup> https://www.gov.wales/tenants-housing-law-has-changed-renting-homes

<sup>&</sup>lt;sup>19</sup> https://ippr-org.files.svdcdn.com/production/Downloads/lessons-from-germany-jan17.pdf – p.3. Annex Table 3.4 from the latest PRS Report under the English Housing Survey suggests that the median is just under 3 years. This is shorter than the mean, which is skewed by a small number of very long tenancies. The median therefore more accurately reflects the experiences of most tenants.

<sup>&</sup>lt;sup>20</sup> For the consultation, see: <a href="https://www.gov.uk/government/consultations/a-new-deal-for-renting-resetting-the-balance-of-rights-and-responsibilities-between-landlords-and-tenants/outcome/a-new-deal-for-renting-government-response.">https://www.gov.uk/government/consultations/a-new-deal-for-renting-government-response.</a> For Labour's amendment to lengthen the protected period to two years, see <a href="https://publications.parliament.uk/pa/bills/cbill/58-04/0015/amend/renters\_rm\_rep\_0423.pdf">https://publications.parliament.uk/pa/bills/cbill/58-04/0015/amend/renters\_rm\_rep\_0423.pdf</a> p.89 (amendment no. 255)

- circumstances, there may be compelling reasons to refuse immediate possession for example if a tenant is seriously ill and has a limited life expectancy.
- 23. We recommend that all grounds for eviction are made discretionary, so that the Court can consider all circumstances. Discretionary grounds do not mean that landlords would never be able to gain possession: they simply mean that the Court can take into account all the facts. They also offer additional protections for a tenant to prevent abuse of possession grounds before an eviction takes place, rather than simply seeking recourse after the fact. See proposed amendment 16 in the Annex.
- 24. Similar reforms in Scotland made grounds for possession discretionary. We have not seen any compelling evidence which suggests that this regime has significantly worsened backlogs in the courts.
- 25. Short of full discretion, it is critical that Courts are given some flexibility. This could be some form of 'hardship test' for no-fault grounds, through giving the courts the ability to suspend possession, or through making most of the grounds discretionary. See proposed amendment 14 for 'greater hardship,' and proposed amendment 23 for suspended possession for certain mandatory grounds.

## Preventing abuse of grounds

- 26. We are concerned that some of the new grounds for eviction may be abused by unscrupulous landlords, meaning that the insecurity which currently plagues tenants would be retained despite the abolition of Section 21. Without effective enforcement to prevent abuse, renters will continue to fear retaliatory evictions, which may undermine the government's proposed reforms.
- 27. We welcome the proposed 12-month no re-let period after a landlord has used one of the new no-fault grounds. This is a great improvement on the inadequate 3-month no relet period proposed by the previous government, which was not long enough to act as a meaningful disincentive.
- 28. Where a landlord uses one of the proposed new no-fault grounds, they should have to provide unequivocal evidence of their intent. The burden of proof should fall on the landlord, as the vast majority of tenants are not well placed to prevent abuse of grounds themselves. We recommend that the Court should require certain evidence from landlords who are seeking possession using grounds 1 and 1A. For the sales ground, landlords should have to provide further evidence after the eviction has taken place that they have used the ground as intended or justify why their plans have changed. This will create a strong disincentive for abusing the new no-fault grounds: if a landlord lies to the court they would be open to litigation and may be liable to pay damages to the tenant under Section 12 of the Housing Act 1988. See proposed amendments 3 and 4.
- 29. In Scottish Law, landlords must provide objective evidence that they intend to sell when using this ground ('pre-eviction evidence'). Despite this, research from Indigo House

has estimated that in as many as 1 in 5 cases, this ground may have been misused.<sup>21</sup> Clearly, pre-eviction evidence is not enough to prevent abuse of this ground: post-eviction evidence will also be necessary.

30. We understand that the government's position is that courts are best placed to interpret available evidence, but that they intend to set out guidance in this regard. The RRC would prefer to see the evidential threshold written into legislation to ensure that these grounds are not abused and ensure that tenants have security of tenure.

## Preventing abuse of grounds - enforcement

- 31. To counter potential abuse of new eviction grounds, enforcement will be critical. After an eviction takes place, either following notice or due to a possession order, the government have set out two avenues for enforcement: local authority enforcement action; and redress through the PRS Ombudsman.
- 32. Given the patchy nature of local authority resourcing for enforcement, we welcome the expansion of Rent Repayment Orders to help tenants enforce their own rights and to provide a disincentive for landlords to circumvent the law. We also welcome that, to use most possession grounds, landlords will need to be registered on the Database. The government should also require that possession notices should be logged on the Private Rented Sector Database. This would enable local authorities and tenants themselves to identify where there has been a breach of the ground.

## No-fault eviction compensation

- 33. An unwanted move costs a typical two-adult tenant household over £2000.<sup>22</sup> This cost adds to the stress of an eviction, and this expense is one reason that evictions can push tenants into hardship and homelessness. We believe that it is fair that a landlord who deprives their tenant of their home under no-fault eviction grounds should mitigate this harm.
- 34. The Renters' Rights Bill should introduce an automatic right to non-payment of the last two months of rent where a tenant is being evicted under new no-fault grounds. In cases where the landlord is receiving rent directly from the Department for Work and Pensions, this compensation should be paid directly to the tenant. See proposed amendment 1.
- 35. This provision would allow tenants to be better able to save for a deposit for a new tenancy during their notice period. It would also encourage landlords to only use these no-fault possession grounds when absolutely necessary, and in the case of Ground 1A, encourage landlords to sell with sitting tenants.

## Tenants' 'right of first refusal'

36. Where a landlord uses Ground 1A, they should be required to offer the tenant a 'right of first refusal' to buy the property. The vast majority of tenants will not be in a position to

 $<sup>^{21} \, \</sup>underline{\text{https://rentbetter.indigohousegroup.com/wp-content/uploads/sites/3/2022/05/Wave3-FINAL-Main-Report-AE090924-publication.pdf-p.5, with the caveat that there may be a lag in properties being removed from the database.}$ 

<sup>&</sup>lt;sup>22</sup> https://www.generationrent.org/2024/10/09/the-renters-rights-bill-second-reading/ - NB this figure was updated from £1709 in October 2024 to reflect rising costs and rents.

buy their home, but where they are, this may avoid a damaging eviction. In addition, the legislation should allow for the tenant to nominate a purchaser (such as a family member or their local authority) who may be in a position to step in and buy the property to avoid a damaging eviction.

#### Rent increases and economic evictions

- 37. The government's intention is that the Bill will improve stability and security of tenure for tenants. This will be undermined if rent increases can be evictions by the backdoor, or 'economic evictions.' If a tenant cannot afford a proposed rent increase, they would have no choice but to leave their home. Fear of this happening will recreate the insecurity currently associated with Section 21.
- 38. We welcome that the rent tribunal will no longer be able to make a determination higher than that which was initially requested. However, we remain concerned that proposals do not go far enough to protect tenants from economic evictions. Rent tribunals are tied to 'market rents,' which are based on new tenancies and therefore higher than overall rent levels. For renters at the bottom end of the market, a hike to 'market rates' would be unaffordable.
- 39. The tribunal shifts the onus onto the tenant. In Scotland, there is clear evidence that rent adjudications are not particularly accessible, with just 227 cases raised by tenants between 2017 and 2022, when a temporary rent cap was introduced. In 2/3 of cases, rents were adjudicated to a lower rate: while the majority of adjudications do find that rent increases have been too high, the adjudication process is clearly not one which renters feel empowered to use.<sup>23</sup>
- 40. We therefore recommend that the government introduces rent stabilisation in the form of in-tenancy rent increase caps. Landlords should not be able to increase the rent by more than either wage growth or inflation, whichever is lower. See proposed amendment 17 in the Annex. This measure would primarily be aimed at improving security of tenure: it will have the important effect of keeping more tenants in their homes for longer, and improve affordability over time for those tenants. A blanket cap provides certainty for renters and landlords, who otherwise might struggle to understand what 'market rates' are in practice, and takes the onus off the tenant to challenge increases. Alongside this, we believe further measures are needed to bring down rents relative to incomes over time.

# Illegal evictions

41. We are concerned that the end of Section 21 evictions may lead to a spike in illegal evictions undertaken by unscrupulous landlords. This crime is currently seriously under-prosecuted. In 2020, just 23 prosecutions were advanced under the Protection from Eviction Act 1977 (PFEA), with only 12 successful outcomes.<sup>24</sup> When sentencing, magistrates are very lenient: fines of less than £1,000, community service and conditional discharge are common penalties.

<sup>&</sup>lt;sup>23</sup> https://rentbetter.indigohousegroup.com/wp-content/uploads/sites/3/2022/05/Wave3-FINAL-Main-Report-AE090924-publication.pdf - p44/5

<sup>&</sup>lt;sup>24</sup> https://ch1889.org/d2hcnz6kp5k727p-zc7eh-rhpz9-egykf-h3bng-nw8le-n9fye-syawe-ce5kf-g9ms4-dzn6k-pkjhj-39ws5/

- 42. The government should make it easier to pursue convictions and ensure that civil penalty notices are high enough to act as a deterrent. We recommend that the PFEA is amended to make it easier for local authorities to pursue prosecutions, without needing to raise complex Land Law arguments.
- 43. CPNs for illegal evictions are currently too low to provide a genuine deterrent effect, and do not reflect the serious nature of the crime. We therefore recommend that the maximum fine for civil penalty notices for breaches of the PFEA be increased to £60,000. To make it easier for renters to receive compensation for being illegally evicted, we also recommend that the standard of proof for Rent Repayment Orders for PFEA offences should be the civil standard, not the criminal standard.
- 44. Alongside deterring landlords from undertaking illegal evictions, the government should provide strong enforcement mechanisms to crack down on this crime. Police forces should be directed and trained to act in ways that are consistent with renters' rights, and there should be a new statutory duty introduced for local authorities to investigate and, where possible, prosecute cases of illegal eviction. For all of the above, see proposed amendments 8 and 9.

#### **Ground 6A**

45. We are concerned that Ground 6A penalises the tenant for the landlord's failure to keep their home up to a decent standard. Moreover, the government's enforcement regime is predicated on a productive working relationship between tenants and the local authority, but Ground 6A provides a disincentive for tenants to cooperate with a local authority pursuing enforcement action against their landlord, for fear it might lead to them being evicted. There are a number of options to reduce the harms resulting from this ground, including making this ground discretionary. The government should set out how it intends to manage this tension.

#### **Affordability**

- 46. The affordability crisis in private renting is well-documented. Private tenants have the highest weekly housing costs of any tenure, with lower-income tenants in particular often spending huge proportions of their income on rent.<sup>25</sup> With rents swallowing up ever-increasing chunks of incomes, it is much harder for private tenants to save, afford essentials, and thrive in their communities. Rents are constantly rising, with rent increases consistently outstripping wage growth.<sup>26</sup> In recent years, Local Housing Allowance (LHA) has been re-pegged to housing costs sporadically, leaving private renters who are claiming benefits particularly exposed to rising costs.
- 47. We note and support the government's plan to build more housing. However, even in the most optimistic of scenarios, housebuilding will not meaningfully bring down the cost of renting particularly for those on the lowest incomes for many years. Those at the sharp end of the affordability crisis cannot afford to wait.

<sup>&</sup>lt;sup>25</sup> https://www.gov.uk/government/statistics/english-housing-survey-2022-to-2023-affordability-and-cost-of-living-fact-sheet/english-housing-survey-2022-to-2023-affordability-and-cost-of-living-fact-sheet

<sup>&</sup>lt;sup>26</sup> https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/privaterentandhousepricesuk/september2024

- 48. We propose that the government should establish a National Rental Affordability Commission to investigate effective methods to make the private rented sector affordable. This should include investigation of rent control measures aimed at bringing rents down relative to incomes. See proposed amendment 5.
- 49. Alongside growth of overall housing supply, the government must commit to an ambitious expansion of social housing to increase the supply of secure, affordable homes. The government should unfreeze Local Housing Allowance so it keeps in line with at least the bottom 30% of local rents.

#### **Private Rented Sector Database**

- 50. The Private Rented Sector Database presents an opportunity to drive up standards and accountability. However, if the Database does not include enough data for tenants, prospective tenants and local authorities to make informed decisions, it will not be a useful tool. We recommend that the Private Rented Sector Database should require:
  - All landlords and their managing agents to publish their contact and address details, and details of each of their properties.
  - Details of past enforcement action against landlords and agents, as well as Rent Repayment Orders and banning orders.
  - Eviction notices (and therefore use of eviction grounds) to be registered, enabling identification of instances where there may have been abuse of the grounds.
  - Basic safety information, including a gas safety certificate, Electrical Installation
    Condition Report (EICR) and proof of smoke and carbon monoxide alarms, and be
    joined up with the government's register of Energy Performance Certificates (EPCs).
  - Landlords and housing management agents to provide up-to-date information about the rents they charge for properties. This data would provide valuable insight into the affordability crisis in renting and help local authorities target their resources to areas most in need.
  - Information about the accessibility features of the property.
- 51. We support that the Bill mandates membership of the database in order to serve a valid eviction notice in most instances, but think that the government should go further, and make failure to register on the Database an RRO offence, as a way to force compliance. For all of the above, see proposed amendment 10.
- 52. The Database must be made accessible to people who do not have digital access and/or digital literacy.

# Local authority enforcement

53. Local authorities are operating in a strained financial environment which has an impact on their ability to undertake enforcement action, even before new duties are handed to them as part of this Bill. There is still a patchwork of enforcement, with standards dependent on the financial position and political will of local authorities. Where

- enforcement capacity is low, local authorities can be limited to 'firefighting' only the most serious breaches.<sup>27</sup>
- 54. We recommend that local authorities be supported, and crucially, funded with a ring-fenced commitment proportional to the number of PRS properties in their area, to carry out existing and new enforcement duties to maintain standards for private renters.
- 55. We are clear that the introduction of the Database does not mitigate the need for strong selective licensing; rather it should support and complement an expansion of selective licensing schemes. Licensing has been shown to drive up standards: Councils with a licensing scheme are more likely to both identify and repair homes with category one hazards.<sup>28</sup>
- 56. We propose the following changes: local authorities operating licensing schemes should be able to use licence conditions to improve housing conditions, the maximum duration should be extended to ten years, and Secretary of State's veto powers should be removed. See proposed amendment 11.
- 57. It is essential that any registration scheme for short-term lets is integrated with the Property Portal to help tenants understand the rights they are entitled to, and so local authorities can take effective action against criminal landlords. This will also help government assess the flow of homes between the PRS and the short-term lets sector and adjust policy accordingly.
- 58. For other tenures, we recommend that Temporary Accommodation and Home Office accommodation be registered on the Database. These should also be subject to the Decent Homes Standard: everyone should have a decent place to stay, whatever their tenure. Without this provision, there is also a risk of 'tenure flight' where landlords with the homes with the worst standards merely leave the PRS and provide poor quality housing in another tenure. See proposed amendment 12.

#### Awaab's Law and a right to a 'mediated rent pause'

- 59. We welcome the proposed extension of Awaab's Law to the Private Rented Sector. The most serious health and safety risks category one hazards are most prevalent in the private rented sector, with 12% of PRS homes having such a hazard.<sup>29</sup>
- 60. However, we are concerned that the current backstop for redress where poor standards are concerned, is for the tenant to pursue court proceedings against their landlord. This is disproportionately costly and not accessible to many tenants.
- 61. We therefore propose a right to a mediated rent pause if a landlord refuses to carry out essential repairs within a defined timeline. A tenant should be able to begin a mediated rent pause once a landlord has failed to comply with their obligations within a set

<sup>&</sup>lt;sup>27</sup> https://www.gov.uk/government/publications/local-authority-enforcement-in-the-private-rented-sector-headline-report/local-authority-enforcement-in-the-private-rented-sector-headline-report

<sup>28</sup> https://www.generationrent.org/2021/10/25/selective licensing and enforcement/

<sup>&</sup>lt;sup>28</sup> https://www.gov.uk/government/statistics/chapters-for-english-housing-survey-2022-to-2023-headline-report/chapter-4-dwelling-condition

timeline. Tenants could pay their rent to a neutral third party, such as the private rented sector ombudsman proposed in the Renters' Rights Bill, which would refund the tenant if the landlord could not prove that the repairs had been made in the required timeline. This would give landlords confidence that the rent was available upon completion of the works. See proposed amendment 2.

#### **Energy efficiency**

- 62. We support the government's efforts to ensure that all privately rented homes meet EPC C by 2030. The Bill should be a vehicle for achieving this. Nobody should receive an eviction or unfair rent hike following energy efficiency improvements, especially where public money has been involved. Generation Rent estimates six years to be the time it would take for the average grant to translate into a private tenant's energy bill savings.<sup>30</sup>
- 63. In order to counter the possibility of landlords capturing the value of the grant through an unaffordable rent hike, we recommend that when a means-tested grant is used to retrofit a privately rented homes, renters should be protected from eviction under no-fault grounds for a period following the works.

### Access to rented housing: discrimination against benefits recipients and families

- 64. We welcome the end of blanket bans on people with children or in receipt of benefits. However, we are concerned that proving overt discriminatory intent may continue to be prohibitively difficult, and recommend that the bar be lowered to cover actions which have discriminatory *impact*, not just intent. See proposed amendment 19 in the Annex.
- 65. Proposed fines of £7000 are too low to disincentivise discriminatory behaviour, and do not reflect the serious nature of this crime. These should be raised to a higher level and the complainant should be able to be compensated by requiring local authorities to apportion some of the fine to the complainant. See proposed amendment 18 in the Annex. Even with this measure, complainants stand to gain far more compensation from a claim under Part 9 of the Equality Act 2010, so the Bill should make it clear that nothing in Chapter 3 of the Bill prevents a tenant from bringing proceedings under the Equality Act, concurrently with local authority action.

#### Discrimination: rent in advance and guarantors

- 66. We are concerned that the Renters' Rights Bill, as currently drafted, does not clearly end the practice of landlords and agents demanding multiple months of rent at the start of a tenancy. While we welcome the ban on bidding wars, we are concerned that the number of months of rent a prospective tenant can offer will become the new de facto bidding war, and entrench some of the generational unfairness currently seen in the house-buying market into privately renting.
- 67. The Renters' Rights Bill currently sets the 'rent period' to a maximum of one month. The RRC have seen opposing opinions about whether this constitutes an effective ban on a demand for multiple months' of rent in advance. The government should clarify its position on whether the Bill bans rent in advance, or risk this point being settled in the courts after Royal Assent.

 $<sup>^{30}\</sup> https://www.generationrent.org/2023/08/03/fuel-poor-private-renters-miss-out-on-home-insulation-grants/$ 

- 68. We recommend that the Bill explicitly limits the amount of rent that can be demanded in advance to one month, to prevent the measures around bidding wars being undermined. Almost half of renters are one pay cheque away from being unable to pay rent, so it is clear that the practice of requiring multiple months of rent upfront locks renters out of finding an affordable home.<sup>31</sup> See proposed amendment 20 in the Annex.
- 69. Demanding the appointment of a guarantor can have a discriminatory effect, as it requires prospective tenants to know a high-earning homeowner well enough for them to offer to guarantee rent. As with rent upfront, this introduces generational inequalities into the private rented sector. We urge the government to curtail the use of guarantors in most situations: where the tenants' rent is covered by their income including benefits, or where either tenant or landlord is insured against non-payment of rent, there should be a ban on requiring a guarantor. See proposed amendment 21 in the Annex.

#### **Racial discrimination and Disabled renters**

- 70. Right to Rent has been shown to lead to discrimination on the basis of perceived race and nationality. 51% of landlords surveyed by the Joint Council for the Welfare of Immigrants (JCWI) said that they were less likely to consider letting to foreign nationals as a result of Right to Rent, with no evidence that the scheme is encouraging irregular migrants to leave the UK.<sup>32</sup> The government should commit to scrapping Right to Rent to help end racial discrimination in the private rented sector. See proposed amendment 7.
- 71. 1 in 3 disabled people in private rented properties live in unsuitable accommodation.<sup>33</sup> We recommend that the government creates obligations on landlords to comply with requests for alterations from disabled renters paid for by the Disability Facilities Grant, and to not unreasonably refuse requests for minor alterations. See proposed amendment 6.

## Other remarks

- 72. **Deposit reform:** Currently, the cost of a second deposit is a barrier to moving for renters who lack savings or access to cheap credit. Those who can't afford a deposit present as homeless, stay in unsuitable homes, or use unregulated deposit-free schemes and face further risk of being ripped off. We support the development of a centrally administered system that prevents renters from needing to find a new deposit every time they move.
- 73. **Lodgers' rights:** the government should put in place some basic protections for lodgers, including extending deposit rights, providing for lodgers to be able to challenge their status where a landlord is fraudulently claiming to cohabit the property, and providing a minimum notice period of two months for all 'no fault' terminations. Lodgers should also be protected against the most serious cases of disrepair according to the Housing Health and Safety Rating System.

<sup>31</sup> https://england.shelter.org.uk/media/press release/half of working renters only one pay cheque away from losing their home

<sup>32</sup> https://jcwi.org.uk/wp-content/uploads/2024/07/2017 02 13 JCWI-Report Passport-Please-1.pdf

<sup>&</sup>lt;sup>38</sup> https://www.equalityhumanrights.com/sites/default/files/housing-and-disabled-people-britains-hidden-crisis-main-report\_0.pdf - p.17

74. **Access to justice**: the government's aim is that the Renters' Rights Bill will provide a housing system which decisively levels the playing field between landlords and tenants. This will only be possible if tenants are able to access justice in a timely manner. The government must ensure that all renters should have access to legal advice, and guarantee that renters have access to legal aid should they need it. We support the introduction of an ombudsman for the private rented sector, but caution that it should not be relied upon as an alternative to timely access to the justice system.

# **Annex: Proposed Amendments**

# 1. Compensation for use of 'no fault' grounds

New clause #, insert -

## "# Cost of moving compensation for 'no fault' evictions

- (1) Where the landlord serves a notice relying on grounds 1 or 1A, any rent, service charge or administration charge otherwise due from the tenant to the landlord shall be treated for all purposes as not being due from the tenant to the landlord during the period of two months ending with the expiry date of the notice.
- (2) Where sub-section (1) applies and a Managed Payment to Landlord arrangement is in place in respect of Universal Credit or Housing Benefit, the landlord shall, within 7 days of receiving any payments that relate to period specified in subsection (1), pay the entire amount to the tenant".

# 2. Mediated rent pauses

New clause #, insert -

# "# Mediated rent pauses (housing conditions)

- (1) This section applies where:
  - (a) There is a tenancy to which section 9A of the Landlord and Tenant Act 1985 applies;
  - (b) It appears to the tenant that the landlord has breached the covenant implied by that section; and
  - (c) It appears to the tenant that the landlord has failed to carry out the works necessary to remedy any such breaches within the timeframes set out in Regulations made by the Secretary of State under s.10A(3) Landlord & Tenant Act 1985.<sup>34</sup>
- (2) The tenant is entitled to make arrangements to pay rent to the housing ombudsman, rather than to the landlord.
- (3) The housing ombudsman shall hold any rent paid under sub-section (2) until there has been a determination or agreement between the landlord and tenant as to the landlord's liability for any breach of the covenant implied by section 9A of the Landlord and Tenant Act 1985.

## 3. Post-eviction evidence

Clause 4, page 6, line 4, replace clause 4(2)(g) with-

- "(g) Omit subsections (6), (6A), (6B) and (7) and insert
  - "(6) Where the court makes an order for possession on grounds 1 or 1A in Schedule 2 to this Act (whether with or without other grounds), the order shall include a provision requiring the landlord to file and serve evidence no later than sixteen weeks from the date of the order, which gives details of the state of occupation of the dwelling-house

<sup>&</sup>lt;sup>34</sup> Note: s.10A(3) Landlord & Tenant Act 1985 empowers the Secretary of State to make Regulations setting prescribed periods for the removal of prescribed hazards: "Awaah's law"

since the date of the order, and details of the progress of any sale of the dwelling-house, and which is verified by a statement of truth signed by the landlord".

# 4. Pre-eviction evidential requirements

Clause 4, page 7, after sub-clause 4(2)(g) insert-

"(h) after section 7 of the 1988 Act, insert:-

## "7A Evidential requirements for Grounds 1 and 1A

- (1) The court shall not make an order for possession on grounds 1 or 1A in Schedule 2 to this Act unless the landlord has complied with sub-sections (2) to (4).
- (2) Where the landlord relies on grounds 1 or 1A, the claim must be supported by evidence which is verified by a statement of truth signed by the landlord.
- (3) Where the landlord relies on ground 1 and the dwelling house is required by a member of the landlord's family as defined in paragraphs 2(b) to (d) of that ground, the claim must also be supported by evidence which is verified by a statement of truth signed by that family member.
- (4) Where the landlord relies on ground 1A, the evidence referred to in sub-section (2) must exhibit a letter of engagement from a solicitor or estate agent concerning the sale of the dwelling house".

# 5. National Rental Affordability Commission

New clause #, insert -

# "# National Rental Affordability Commission

The Secretary of State shall, within 18 months beginning with the date on which this Act is passed, establish a commission to investigate and report on mechanisms for ensuring that privately rented housing is affordable".

# 6. Disability adaptations

New clause #, after clause 10 insert -

"In the 1988 Act, after section 16, insert

# "16D Disability adaptations

- (1) It is an implied term of every assured tenancy to which this section applies that a landlord shall not unreasonably refuse a tenant's request for a disability adaptation, provided that such an adaptation is eligible to be funded by a disabled facilities grant under section 22 of the Housing Grants, Construction and Regeneration Act 1996.
- (2) This section applies to every assured tenancy other than a tenancy of social housing, within the meaning of Part 2 of the Housing and Regeneration Act 2008".

# 7. Right to Rent

New clause #, insert -

"# Repeal of 'right to rent'

- (1) The Immigration Act 2014 is amended as follows.
- (2) Omit sections 20 to 37, and schedule 3"

# 8. Illegal evictions

New clause #, insert -

- "# Changes to illegal evictions (1) Section 1(4)(a) of the Protection from Eviction Act 1977 is amended as follows.
- (2) Replace the words "the prescribed sum" with "£60,000"."

# 9. RROs – lowering the standard of proof for illegal evictions

New clause #, insert -

# "Rent repayment orders: standard of proof

- (1) Section 43 of the Housing and Planning Act 2016 is amended as follows.
- (2) In sub-section (1), omit the words "beyond reasonable doubt".
- (3) After sub-section (3) insert-
- "(4) Where the application for a rent repayment order relates to an offence under sections 1(2),(3) or 3(A) of the Protection from Eviction Act 1977, the First-tier Tribunal must be satisfied, on the balance of probabilities, that the offence has been committed.
- (5) Where the application for a rent repayment order relates to any other offence to which this Chapter applies, the First-tier Tribunal must be satisfied, beyond reasonable doubt, that the offence has been committed".

# 10. Contents of the Database

Clause 75, page 100, after sub-clause 75(2) insert (and re-number the following clauses)

- "(3) The regulations shall require the following information or documentation to be provided in respect of a landlord entry:
  - (a) The address and contact details of the landlord;
  - (b) The address and contact details of the managing agent;
  - (c) Details of each rented property owned by the landlord;
  - (d) Details of any enforcement action relating to landlord and tenant law that the local authority has taken against the landlord;
  - (e) Details of any enforcement action relating to landlord and tenant law that the local authority has taken against the managing agent;
  - (f) Details of any banning orders and/or rent repayment orders that have been made against the landlord;

- (g) It appears to the tenant that the landlord has failed to carry out the works necessary to remedy any such breaches within the timeframes set out by Regulations made by the Secretary of State under s.10A(3) Landlord & Tenant Act 1985.
- (4) The regulations shall require the following information or documentation to be provided in respect of a dwelling entry:
  - (a) The address and contact details of the landlord;
  - (b) The address and contact details of the managing agent;
  - (c) Details of any notices given to the tenant under section 8 of the Housing Act 1988, including the ground(s) relied upon;
  - (d) Details of the rent that was payable at the commencement of the tenancy;
  - (e) Details of any increase(s) in the rent;
  - (f) Details of the energy performance certificate(s) required by regulation 6(5) of the Energy Performance of Buildings (England and Wales) Regulations 2012;
  - (g) Details of the gas safety certificate(s) required by regulation 36 of the Gas Safety (Installation and Use) Regulations 1998;
  - (h) Details of the electrical safety report(s) required by the Electrical Safety Standards in the Private Rented Sector (England) Regulations 2010;
  - (i) Details of the checks required under Regulation 4(1)(b) of the Smoke and Carbon Monoxide Alarm (England) Regulations 2015; and
  - (j) Details about any features of the dwelling relevant to accessibility for people with disabilities".

# 11. Selective licensing

New clause #, insert -

#### "# Changes to selective licensing

- (1) Part 3 of the Housing Act 2004 is amended as follows.
- (2) In section 81, at the end of sub-section (2), insert "but nothing in this section shall prevent the authority from using its licensing powers to improve housing conditions in the private rented sector".
- (3) In sub-section 84(2), replace "five" with "ten".
- (4) Omit section 82.

# 12. Applying the Decent Homes Standard to Temporary Accommodation

Clause 98, page 117, line 20, omit the proposed sub-section 1(4)(e)(ii), and replace the words after sub-section 1(4)(e)(i) with:

"or (ii) the availability of which is secured by the Secretary of State under paragraph 9 of Schedule 10 of the Immigration Act 2016, or sections 4 or 95 of the Immigration and Asylum Act 1999".

# 13. Six-month notice periods

Clause 4, page 6 line 14, replace "four" with "six"

# 14. Greater hardship for grounds 1 and 1A

Schedule 1 paragraph 2, page 65, at the end of ground 1 insert

"A court shall not make an order for possession under this ground if the court is satisfied that, having regard to all the circumstances of the case, greater hardship would be caused by granting the order than by refusing to grant it".

Schedule 1 paragraph 3, page 66, at the end of ground 1A insert

"A court shall not make an order for possession under this ground if the court is satisfied that, having regard to all the circumstances of the case, greater hardship would be caused by granting the order than by refusing to grant it".

# 15. Extension of protected period to two years

Schedule 1: Changes to grounds for possession

To increase the minimum period before a landlord can use certain grounds for possession from 12 months to 2 years

## Ground 1: Occupation by landlord or family

On page 155, line 9:

For "1 year" substitute "2 years".

## **Ground 1A: Sale of dwelling-house**

On page 156, line 15:

For "1 year" substitute "2 years".

# 16. Grounds for possession to be discretionary

In clause 4, page 4, line 35, omit paragraphs (a) and (b) and substitute --

- "(a) omit subsection (3);
- (b) in subsection (4), omit "Part II of" and omit ", subject to subsections (5A) and (6) below,".

In Schedule 2, page 175, line 40, omit paragraph 16 and substitute:

"16 In section 9 (extended discretion of court in possession claims), omit subsection (6)."

# 17. Introduction of in-tenancy rent caps

In clause 7, page 9, after line 11, insert the following:

- (4F) It shall be an implied term of every assured tenancy to which this section applies that the percentage increase between the existing rent and any new rent specified in a notice given under subsection (2) shall not exceed whichever is the lesser of:
  - (a) the percentage of the rate of inflation calculated by reference to the Consumer Prices Index since the date on which the existing rent took effect, or
  - (b) the percentage increase in median national earnings calculated over a three-year period by the UK Statistics Authority, ending on the date on which the notice was served."

In clause 8, page 11, line 3, omit sub-paragraphs (3)(b)-(d) and insert-

"(3) Omit the words after "shall determine the rent" and insert "in accordance with subsection 13(4F)".

# 18. Mechanism for sharing penalty for discrimination with complainant

# Clause 39: Financial penalties for breach of anti-discrimination provisions

In clause 39, page 47, after line 3, insert the following sub-clauses:

- "(6A) Where a local housing authority imposes a financial penalty under this subsection, on recovering the penalty it shall pay a proportion of the proceeds to the person who was the subject of the discrimination in question.
- (6B) The amount payable under subsection (6A) to the person who was the subject of the discrimination shall be 20% of the proceeds of the financial penalty.
- (6C) Where the person who was the subject of the discrimination in question complains to the relevant landlord redress scheme about the same discriminatory behaviour, the scheme provider shall take account of any sum paid or payable to that person under subsection (6A) in assessing the amount of any further award of compensation which the relevant person is directed to pay to that person under the scheme."

**In Schedule 5**, page 207, para 12, line 31:

At the beginning of para 12, insert: "Subject to section 39(6A),".

# 19. Test for discrimination: impact, not intent

In clause 32 (Discrimination relating to children), page 40, line 29:

Delete "in order to make" and substitute "which has the effect of making".

In clause 33 (Discrimination relating to benefits status), page 41, line 32:

Delete "in order to make" and substitute "which has the effect of making".

## 20.Limit rent in advance to one month

On page 13, after line 5, insert new section 8A:

"(8A) In Schedule 1 to the Tenant Fees Act 2019, after paragraph (1) insert -

"(1A) But if the amount of rent payable in advance of any period of the tenancy exceeds one month's rent, the amount of the excess is a prohibited payment.""

# 21. Limit use of guarantors

After clause 25, page 36, line 17, to move the following new clause:

## [25A]

- (1) A relevant person must not, in any of the circumstances set out in subsection (2), require a person, as a condition of the grant of a relevant tenancy, to provide a guarantor in relation to the observance or performance of the tenant's obligations under the tenancy.
- (2) For the purposes of this section, requiring a person to provide a guarantor includes accepting an offer by that person to provide a guarantor.
- (3) The circumstances are -
  - (a) that the person has paid a tenancy deposit or has been assisted under a deposit scheme;
  - (b) that the person is required to pay rent in advance of one month's rent or more;
  - (c) that on a reasonable assessment of their means the person's income (including state benefits received and any other lawful source of income) is sufficient to enable them to pay the full rent due under the tenancy;
  - (d) that arrangements will be made for housing benefit or the housing element of universal credit to be paid directly in respect of rent to a relevant person;
  - (e) that the relevant person has entered into a contract of insurance under which they are insured against non-payment of rent; or
  - (f) such other circumstances as may be prescribed.
- (4) In any other case where a relevant person lawfully requires a person, as a condition of the grant of a relevant tenancy, to provide a guarantor, the sum for which the guarantor may become liable under the relevant guarantee shall not exceed a sum equal to six months' rent.
- (5) In any case where a relevant person lawfully requires a person, as a condition of the grant of a relevant joint tenancy, to provide a guarantor, the sum claimed under the

guarantee shall not exceed such proportion of the loss as is attributable to the act or default of the individual tenant on whose behalf the guarantee was given; and if such proportion cannot be proved, shall not exceed the sum obtained by dividing the total loss by the number of tenants.

# (6) In this section -

- a "guarantor" is a person who enters into a guarantee in relation to a relevant tenancy;
- a "guarantee" is a contractual promise to be responsible for the performance of an obligation owed by the tenant to a relevant person under the tenancy if the tenant fails to perform the obligation;
- a "deposit scheme" includes a scheme whereby a sum payable by way of deposit or a bond or guarantee is provided by a local authority, registered charity or voluntary organisation for the purpose of providing security to a landlord for the performance of a tenant's obligations under a tenancy;

"tenancy deposit" has the same meaning as in section 212(8) of the Housing Act 2004."

# 22. No re-let period to run from date of court order

In Clause 17 (inserting section 16M in Housing Act 1988), page 29, line 41, delete para 2(b) and substitute:

"(b) in relation to a relevant person who has obtained an order for possession relying on Ground 1 or 1A, the period of twelve months beginning with the date on which the order was made."

## 23. Suspended possession orders

New clause 5 (to be inserted after clause 4, page 4, line 1 and subsequent clauses to be renumbered) –Suspending possession orders–

- "(1) Section 9 of the 1988 Act (Extended discretion of court in possession claims) is amended in accordance with subsection (2).
- (2) In subsection (6)(a), after the words "Schedule 2 to this Act" insert "except for grounds 1, 1A, 6A and, 8".

October 2024