

23rd October 2024

Renters' Rights Bill Committee

Commonweal Housing evidence submission

Commonweal Housing are a UK registered charity that exists to use charitable and social investment resources to facilitate and enable new housing-based action learning pilot projects to be developed and delivered by front line expert housing and homelessness organisations.

We are seeking the following minor amendments to the Renters' Rights Bill.

to Possession Ground 2ZA as set out in Para 6 of Schedule 1 of the Renters' Rights Bill:

- 1) In sub para (b) add new (v) to read 'a registered charity'**
- 2) In sub para (b) add new (vi) to read 'holding the interest in the dwelling house in furtherance of the charitable objectives of the superior landlord'**

to Possession Ground 2ZC as set out in Para 7 of Schedule 1 of the Renters' Rights Bill:

- 1) After sub para (d) add new (e) to read 'a registered charity'**
- 2) In sub para (d) add new (f) to read 'holding the interest in the dwelling house in furtherance of the charitable objectives of the superior landlord'**

to Possession Ground 5H as set out in Para 18 of Schedule 1 of the Renters' Rights Bill:

- 1) At Ground 5H amend the wording to read 'The landlord seeking possession is a registered provider of social housing or a charity or holds the interest in the dwelling house under a superior tenancy in furtherance of the charitable objectives of the superior landlord' and—**

We are asking for these minor and limited amendments to ensure the Bill continues to enable the Commonweal Housing action learning pilot projects to continue working with a broad range of expert non-profit organisations currently potentially excluded from the Bill as drafted; to continue to support our charitable objectives of seeking and delivering Housing Solutions to Social Injustice.

BACKGROUND

Commonweal Housing are a housing based social justice charity that has built a reputation as a non-vested interest helping to shine a spotlight on often overlooked areas of injustice in the housing and homelessness sector. As an independently funded UK registered charity, and an off-shoot of a family philanthropic legacy, we use our resources working with front line expert delivery organisations to research and highlight areas of policy and practice failure. Crucially however, we also fund the development and testing of pilot projects seeking 'housing solutions to social injustice'. We use our charitable resources to acquire the right properties in the right locations to give these pilot projects the best chance of succeeding. We lease the properties we own to our front-line partners usually for periods of 5-10 years giving them the medium-term certainty to really develop their models of support and service provision to their clients and beneficiaries.

Commonweal use more of our charitable funds to commission independent evaluation of the projects capturing the learning. Where models are working the evaluation helps capture how, why and what others would need to do to replicate it elsewhere. If they don't work as envisage we capture those reasons too and we then share that learning widely to maximise its impact.

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Where models do work our aim is that the initial partner will then have the track record, confidence and ability to raise the capital funding to buy the properties from Commonweal and continue what is then a proven successful model. There is no obligation from the outset for the partners to have to buy from us at the end of the lease. This is to encourage frontline partners to be bold and imaginative in coming up with solutions they feel might work; and that is Commonweal's mission to facilitate and enable ideas that *might work* to enable the trying and testing of models that can then be attractive to wider public and private investment having been proven.

If Commonweal did not exist such imaginative models would simply not see the light of day. Commonweal are an action learning charity.

At the end of the term if partners for whatever reason are unwilling or unable to buy the property they are required to hand the property back with vacant possession having worked to secure suitable alternative accommodation for their occupants prior to the lease end.

Commonweal, as a charity, not a direct housing management organisation, does need vacant possession so that the property can be recycled for another project use (if of the right type and in the right place) or, and this is the norm, it is sold to release the capital to enable that to be used for acquisition of new pilot project properties.

Over the last decade we have also successfully leveraged up our own charitable resources by raising social investment funding from Trusts, Foundations, Better Society Capital, social investment funds and high net worth individuals. This investment would be put at risk if we cannot guarantee vacant possession if needed at the end of the investment term. Further details on the work we do, the impact we have and the successful social investment model used can be found on our website: www.commonwealhousing.org.uk.

In terms of the Renters' Rights Bill – Commonweal support the ambitions and objectives of the legislation, however the initial drafting of the RRB gave us a degree of concern as the nature of the schemes we support and the partners we work with – i.e. not necessarily Registered Providers or indeed not always registered charities (we will work with CICs and other not for profit organisations) – plus our short lease terms 7-10 years didn't necessarily fit directly within the mandatory possession grounds. Whilst some of the use clauses and grounds in section 5 might help, we feel it is subjective as to whether some of the fantastic and innovative schemes we support and enable to be tried and tested would always fall squarely in the supported housing or stepping stone accommodation definitions used. We were also anxious that the mandatory grounds in sections 1 and 2 of the possession grounds might only kick in after the lease to our partners falls / terminates and Commonweal then have to become the occupants' landlord before we can act – something that doesn't sit comfortably within the model as we currently structure it and puts more risk on to us and by extension our investors making the model less attractive.

As noted above, the specific Ground where we are asking for consideration of amendments is Ground 2ZA (possession when superior lease ends) – it allows the operating landlord to end tenancies on 4 months' notice where its own lease is ending in the following 12 months. It only applies where the operating organisation is i) a RP ii) agricultural iii) held the dwelling for it to be supported accommodation iv) a local authority owned company. As noted above the criteria for 'supported accommodation' may not always apply to the range of projects Commonweal supports, it would assist if ground 2ZA could be amended as noted above. We are also seeking to reflect that limited extension to Grounds 2ZC and 5H.

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