

HIGH PEAK BOROUGH COUNCIL

Community Select Committee

18 January 2023

TITLE:	Renters Reform Bill
EXECUTIVE COUNCILLOR:	Councillor Fiona Sloman - Executive Councillor for Housing and Licensing
CONTACT OFFICER:	Helen Core - Head of Housing Services
WARDS INVOLVED:	All

1. Reason for the Report

1.1 To brief members on the Renters Reform Bill.

2. Recommendation

2.1 That members note the content of this report.

3. Executive Summary

3.1 The Renters Reform Bill seeks to remove so-called 'no fault evictions' in the private rental sector, creating increased security for those choosing this tenure option.

3.2 It further seeks to address maintenance and quality of maintenance within the sector, brining standards in line with those of social housing.

3.3 The numbers of landlords choosing to let privately is declining. There is concern that this will make it harder for landlords to regain their property if they choose to - for example if they experience a change in financial circumstance – then this will diminish the availability of available accommodation yet further.

4. How this report links to Corporate Priorities

4.1 This report links to Aim 1 - Supporting our communities to create a healthier, safer, cleaner High Peak.

5. Alternative Options

5.1 The Bill is likely to pass into law during 2023. There are no alternative options.

6. Implications

6.1 Community Safety - (Crime and Disorder Act 1998)
None

6.2 Workforce
None

6.3 Equality and Diversity/Equality Impact Assessment
None

6.4 Financial Considerations
None

6.5 Legal
The Renters Reform Bill will become law in 2023

6.6 Climate Change
None

6.7 Consultation
None

6.8 Risk Assessment
Not applicable

Martin Owen

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Web Links and Background Papers

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1083378/A_fairer_private_rented_sector_web_accessible.pdf

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7. Background

7.1 In its 2019 manifesto, the Government promised a “better deal for renters”, to include abolishing ‘no fault evictions’ and only requiring one ‘lifetime deposit’ to move with the tenant. The manifesto pledged to protect tenants from revenge evictions and rogue landlords, and to strengthen ‘good’ landlords’ rights of repossession. Later that year, in the Queen’s Speech in December 2019, the Government announced the progression of a Renters’ Reform Bill to “deliver a fairer and more effective rental market”.

7.2 The Queen’s Speech on 10 May 2022 revisited the Renters’ Reform Bill, outlining its objectives and stating its intention to shortly publish a White Paper setting out more detail on proposals for “landmark reform” in the private rented sector.

7.3 The main elements of the Bill are:

7.3.1 *Abolishing ‘no fault’ evictions by removing section 21 of the Housing Act 1988 and reforming the grounds for possession*

As the law stands currently, a landlord may achieve vacant possession of their property by serving a valid ‘section 21 notice’ on their tenant to bring the assured shorthold tenancy to an end. Currently, no reason needs to be given for service of a section 21 notice.

7.3.2 *Applying the legally binding Decent Homes Standard in the Private Rented Sector for the first time ever*

The Decent Homes Standard, introduced by the Department for Communities and Local Government, is under review currently and its outcomes will be announced later this year. The current criteria for a “decent home” are:

- It must meet the current statutory minimum standard for housing;
- It must be in a reasonable state of repair;
- It must have reasonably modern facilities and services; and
- It provides a reasonable degree of thermal comfort.

7.3.3 *Reforming current legislation to give landlords more rights to gain “legitimate” possession of their property through the courts*

Whilst removing “no fault” evictions, the Bill aims introduce new, stronger grounds for repeated incidences of rent arrears and reducing notice periods for anti-social behaviour, ensuring landlords can regain their property efficiently when needed.

7.3.4 *Introduce a new Ombudsman for private landlords to prevent court intervention*

The Bill outlines plans to introduce a new Ombudsman for this specific purpose, so that disputes can be resolved without the need to go to court,

which is often costly and lengthy, and ensure that when residents make a complaint, landlords take action to put things right. The Ombudsman is expected to cover all rented properties let by private landlords to ensure that when tenants make a complaint, landlords take steps to resolve the reported issues.

7.3.5 Introducing a new property portal to help landlords understand their obligations

The Bill proposes a property portal to help landlords understand their obligations, give tenants performance information to hold their landlord to account as well as aiding local authorities. Local authorities will have access to the portal, which, in turn, should hopefully combat inadequate performance by landlords.

8. Implications for Renters

- 8.1 The Bill is largely good news for tenants within the private sector. Charities such as Shelter and The Big Issue strongly support the Bill, citing the devastating effects that section 21 notices can have on tenants. The Bill means that every private renter has added security in their home, without the worry of eviction due to changes in the landlord's wishes or circumstances which are beyond the tenant's control. Many private tenants are fearful of reporting repairs or dangerous living conditions as they are afraid of eviction if they complain (so called revenge eviction).
- 8.2 Applying the legally binding Decent Homes Standard in the Private Rented Sector, meaning the same rights are enjoyed by social and private tenants is also positive, giving tenants safer, better quality and better value homes.
- 8.3 The Bill outlines plans to introduce a new Ombudsman so that disputes can be resolved without the need to go to court, and ensuring that when residents make a complaint, landlords take action to put things right. The Ombudsman is expected to cover all rented properties let by private landlords to ensure that when tenants make a complaint, landlords take steps to resolve the reported issues.

9. Implications for Landlords

- 9.1 The Bill is, potentially, less attractive to landlords, especially those who have just one or two properties. Many Landlords may see the removal of section 21 notices as an unwelcome barrier to regaining possession of their property, for example if they experience a change in circumstances and need to return to or sell the property.
- 9.2 The application of the Decent Homes Standard, whilst morally and ethically sound, will see an increased burden of cost for some landlords, who may choose to dispose of rather than invest in their portfolio.
- 9.3 The bill is not entirely focused on the tenant's rights, with some measures also being taken to protect the landlord. One problem the Bill aims to

address is to reform possession grounds for landlords, introducing new, stronger grounds for repeated incidences of rent arrears and reducing notice periods for anti-social behaviour, ensuring that they can regain their property efficiently when needed. There is, however, no provision for changes in personal circumstances, meaning renting out the property is no longer viable.

- 9.4 The Bill proposes a property portal to help landlords understand their obligations, give tenants performance information to hold their landlord to account as well as aiding local authorities. Local authorities will have access to the portal, which in turn should hopefully combat inadequate performance by landlords.

10. Likely Impact on Homeless Service Provision

- 10.1 Data from HMRC indicates that individuals declaring rental income for 2020-21 dropped by around 50,000 compared to the previous year, whilst total income dropped by 11% (£5 billion) between 2016 and 2021 despite rising rental prices.
- 10.2 This is in line with anecdotal information and first-hand experience that many landlords have chosen to “sell up” following the eviction ban in 2020 prompted by the Covid pandemic; increased costs and difficulties in collecting rental income have made this a much less attractive investment and many landlords with a small portfolio have decided this is no longer viable.
- 10.3 As Members are aware from previous briefings, we are seeing significantly higher levels of demand for social housing, coupled with incredibly low turnover of stock. This in turn means an increased reliance on the private rented sector to meet the needs of those requiring housing.
- 10.4 When making an offer of accommodation to discharge duties under homeless legislation, we seek to achieve a “settled outcome”; accommodation that is reasonable to occupy and likely to be available for more than 6 months. During 2021/22 34.3% of homeless cases resulting in a settled outcome involved a move into privately rented accommodation. Any sizeable reduction in the availability of such accommodation will have a negative impact on the number of cases achieving a settled outcome.
- 10.5 The Bill may combat some of the reticence prospective tenants have in accepting a private tenancy as the security and quality issues have been addressed. This may in turn result in less pressure on the limited social housing stock available.
- 10.6 The Government has indicated that there will be a six-month lead-in before the Bill is implemented. However, there is concern that this may lead to a “flurry” of section 21 notices being served prior to the end of “no fault” evictions.