

Committee: Housing Board

Date: 8th February
2024

Title: Renters Reform Bill

Portfolio Holder: Councillor Arthur Coote

Report Author: Marcus Watts, Environmental Health Manager
(Protection)

Key decision: No

Summary

1. This report updates the Housing Board on the Bill's progression through Parliament and implications for the Private Rented Sector

Recommendations

2. None – For information

Financial Implications

3. None

Background Papers

4. The following papers were referred to by the author in the preparation of this report and are available for inspection from the author of the report.

White Paper – A Fairer Private Rented Sector

<https://www.gov.uk/government/publications/a-fairer-private-rented-sector>

House of Commons Research Briefing: Renters (Reform) Bill 2022 – 23
(Oct 2023)

Renters Reform Bill 15 58/4 [*Renters \(Reform\) Bill \(parliament.uk\)](https://www.parliament.uk/bills/2022-23/renters-reform-bill)

Impact

- 5.

Communication/Consultation	Nil
Community Safety	Nil
Equalities	Nil
Health and Safety	Nil

Human Rights/Legal Implications	Nil
Sustainability	Nil
Ward-specific impacts	Nil
Workforce/Workplace	Nil

Situation

1. With the private rented sector doubling since 2004, the government has recognised the need for new legislation that addresses renters precarious lack of security. In June 2022 the Government published its White Paper “[A fairer private rented sector](#)” which purported to offer a New Deal for people living in the Private Rented Sector.
2. The White Paper outlined 5 ambitions and a 12-point plan of action to achieve those ambitions. It promised to address these through a Renters’ Reform Bill, and to “create a Private Rented Sector that is fit for the 21st century, with equal access to decent rented properties across the country and the security for tenants to make their house a home.”
3. The Bill was finally published on 17th May 2023 and at the time of writing, the Bill has gone through 1st and 2nd reading as well as the Committee Stage in the House of Commons. Multiple amendments have been tabled and it is now within the report stage. There will be a further reading stage for ministers before it then progresses through to the House of Lords.

Overview of the Bill

4. The Bill proposes to be the biggest shake up in Housing Legislation, particularly for the private rented sector in decades. Largely, it concentrates on contractual and lease arrangements. However, some of the key measures are listed below:

The abolition of ASTs and introduction of assured periodic tenancies.

5. The introduction of assured periodic tenancies with no fixed term should ensure that tenants are more secure, protected from being forced by their landlord to agree in writing a shorter notice period than two months.

The abolition of Section 21 no fault evictions

6. The committee stage has confirmed that the Section 21 eviction process will be abolished. However, the government has said this will not be implemented until the court system is able to cope with the new evictions system. There has been some criticism of the government for this as the abolition of S.21 Evictions was a conservative manifesto pledge in 2019. It is thought that court reform will take many years to complete.

Changes to the grounds for possession- Impact assessment

7. There are currently 11 grounds for possession. Changes to the grounds for possession were passed. However, it was suggested that the impact of these changes should be reviewed by the government within two years of the Bill receiving Royal Assent.

Anti-social behaviour – a new definition

8. A new clause places a duty on the government to produce further guidance on what constitutes anti-social behaviour – for the purpose of assisting landlords to determine when this can be used as a basis for eviction. It also proposed changes to the factors for a court to take into account when considering whether to grant a possession order on the discretionary anti-social behaviour ground of possession.

A ban on discriminatory practices

9. It is proposed that the law will ban certain discriminatory practices including in advertising. These will cover banning discrimination against prospective tenants who have children (or have children to visit), those with pets or those on benefits. However, it will still be legal to take a tenant's income into account. Terms in mortgages and property insurance contracts which force landlords to discriminate against certain groups will be rendered unenforceable.

Rent increases

10. The proposed new system for rent increases was agreed. There will also be a requirement for landlords and letting agents to state the proposed rent payable in advertisements for a property.

Widening of the definition of a landlord

11. A new amendment proposed an extension of the definition of residential landlord (and of a dwelling) to include park home operators, private providers of purpose built student accommodation and property guardian companies.

Deposit disputes – the new PRS Ombudsman

12. There is a proposal for a new Private Rented Sector Ombudsman that landlords will be required to join. Amongst other disputes and complaints against a landlord, disagreements regarding deposits will be overseen by this new body. The Ombudsman will have powers to 'put things right for the tenant' including compelling landlords to issue an apology, take remedial action and pay compensation.

Rent Repayment Orders

13. RROs require a landlord or agent who has committed a relevant offence to repay rent, housing benefit or universal credit. The Bill proposes to extend this to 'superior landlords' (Typically owners) and double the maximum amount of rent that a landlord might be ordered to repay under a rent repayment order from 12 months to two years rent.

A new Decent Homes Standard

14. Commitments have been given to improving living standards, strengthening enforcement when living conditions are of poor standard, or when the landlord is acting in a criminal manner, and bringing in a Decent Home Standard for Private rented homes (It already applies to Social Housing).
15. Currently the proposal is for the landlord to 'self declare' whether the property is decent, and to declare any exemptions. There will be a penalty for false or misleading information. It is unknown what, if any inspection regime will be required by the Local Authority.

Council Tax – tenant liability

15. A new clause would make tenants under an assured tenancy continue to be liable for Council Tax until the end of the tenancy even if they vacate the property before it ends.

Homelessness prevention duties

16. A new amendment proposed maintaining the homelessness prevention duties of local authorities to those who have received a notice to vacate a property and would extend it to notices for possession issued under section 8 of the Housing Act 1988.

Proposed increases in penalties

17. The committee considered increases in the penalties which can be imposed on landlords, such as for not joining the required landlord redress scheme. Penalties of £5,000 would be increased to £30,000.

PRS database

18. A key measure of the Bill was to introduce a PRS database. This has now been confirmed but the detail has yet to be determined. It will need to be accessible for Landlords, Tenants and Local Authorities. It will be mandatory for all landlords to register their property on the portal. Councils will be expected to take action against private landlords that fail to join. Most importantly, it will allow Councils to know where all the rental properties are within the authority allowing it to target known poor performing landlords.

Enforcement powers – County Councils

19. One amendment would confer certain enforcement powers on County Councils which are not local housing authorities. Also, one local housing authority may be able to enforce in other areas in certain circumstances.

New/revised investigatory powers

20. The Bill will give local housing authorities new and revised investigatory powers to allow them to investigate and enforce breaches of the law. It also includes a new duty on all housing authorities in England to enforce landlord legislation in their areas.
21. These powers will entitle enforcement officers to require information from both relevant and additionally any person where they suspect there has been a breach of the law. They will have powers to enter either without force, or with force if they have a warrant, any premises that are occupied for the purposes of a rental sector business. They will be able to demand and seize relevant documents. Enforcement officers will be able to obtain a warrant to enter any property suspected of being a rental property.
22. Local housing authorities will also be able to use information from tenancy deposit schemes, housing benefit and Council Tax sources to aid enforcement.
23. There will also be new requirements for Councils to report on enforcement action

Next Steps

24. There is no current timetable for the report stage that will give ministers another opportunity to put forward, consider and vote on additional changes. After this, the next stage would be for the Bill to complete the same process in the House of Lords. There is time for it to receive Royal Assent and become law before the next general election. However, it is important to note that many provisions may not come into force, as it may take time to work up associated regulations, commission and develop the database and deliver on statutory guidance.
25. There is no doubt, that this act will impact on UDC. Currently, Private Rented Sector (PRS) enforcement is taken by the Environmental Health Service. This

work is limited to reactive workstreams only and there is little scope for proactive inspection the 14.5% of private rented properties within Uttlesford. This is a similar picture across most local authorities. However, it is hoped that Councils will receive the new burdens funding to support the additional work, however, there is an increasing view from Department for Levelling Up, Housing and Communities (DLUHC) that the costs incurred in enforcing this legislation will originate from potential penalty change income. We are aware that these discussions with DLUHC are on-going and hope that the charge imposed for the database, will not only lend itself to the upkeep of the database and cover the costs of the proposed PRS Ombudsman, but will also be part directed to proactive enforcement arrangements.