



Overview and stakeholder reaction

By Fionnuala Quinn





INTRODUCTION

On 17 May 2023, the UK government published the Renters (Reform) Bill, which aims to enhance the rights of tenants and landlords in the private rented sector. The much-anticipated legislation promises to abolish so-called section 21 no-fault evictions, give tenants stronger rights to have pets in rented accommodation, improve housing standards, and make it easier for landlords to recover properties when tenants wilfully do not pay rent or to move in a close family member. The change to the rules for evictions, which the Conservatives promised in their 2019 manifesto, was broadly welcomed as a step forward in protecting tenants from abusive landlords and reducing the risk of homelessness. However, some stakeholders voiced concerns that unscrupulous operators would still find loopholes and force out tenants by jacking up rents, while others said the measures could drive some landlords out of the market and tighten supply of rental accommodation.

This Dods Political Intelligence report provides a one-stop guide to the Renters (Reform) Bill, including an overview of its key proposals and next steps, and a compilation of immediate reactions from politicians, industry figures, housing campaigners and other stakeholders with links to original sources.





OVERVIEW AND KEY MEASURES

The Renters (Reform) Bill comes four years after the Conservative Party's 2019 manifesto pledge to remove Section 21 of the Housing Act 1988, which allows landlords to evict tenants after a fixed-term tenancy ends or during a tenancy with no fixed end date. The government promised a Renters (Reform) Bill in the Queen's Speech in May 2022 and in June 2022 published 'A Fairer Private Rented Sector' white paper which detailed the plans for the legislation. The Bill is the latest move by the Department of Levelling Up, Housing and Communities to improve property regulations, and follows the introduction of the Social Housing Regulation Bill which is now in its final stages.

The key measures in the Renters (Reform) Bill include:

 Scrapping Section 21 'no fault' evictions and introducing reformed grounds for possession to make sure landlords have effective means to gain possession of their properties when necessary.

Private rented tenancies will come to an end once a tenant decides to vacate the property unless the landlord has grounds for possession under a revised Section 8 process. The government will introduce new grounds for landlords who wish to sell their property and allow landlords and their close family members to move into a rental property but will not allow the use of these grounds in the first 6 months of a tenancy. The Bill will also increase the notice period for the existing rent arrears eviction grounds to four weeks and retain the mandatory threshold at two months' arrears at the time of serving notice and hearing. However, in cases of criminal behaviour or serious antisocial behaviour, the government will lower the notice period for the existing mandatory eviction grounds.

- Provide stronger protections against backdoor eviction by ensuring tenants can appeal excessively above-market rents which are designed to force them out at an independent tribunal.
- Creation of a new Privately Rented Property Portal so tenants, landlords and local councils have all the information on private rented tenancies in one place.
- Introduction of a private renters' ombudsman to help enforce renters' rights.

A recent government <u>media campaign</u>, titled 'Make Things Right', sets out the complaints process for social housing tenants to follow if they had issues with their property. No such free service was available for tenants in the private rented sector, as the Local Government and Social Care Ombudsman does not assist with issues from private rented tenants. Membership of the private rented Ombudsman will be mandatory for all landlords, and local councils will be able to take enforcement action against landlords who fail to join the Ombudsman. The government has <u>confirmed</u> that the Ombudsman will have the powers to instruct landlords to issue an apology, provide information, take remedial action, and/or pay compensation of up to £25,000.

- Tenants will have the right to request having a pet in their property, which the landlord must consider and cannot unreasonably refuse. The government will also amend the Tenant Fees Act 2019 so landlords can request that their tenants buy pet insurance.
- Introduce legislation to make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits.



Reports indicate a key factor influencing landlords considering letting to the above groups has been the introduction of the Local Housing Allowance (LHA) which is usually paid to claimants rather than landlords. LHA rates have also fallen behind rents in recent years after being frozen in 2016 for four years, increased in 2020/21, then frozen again in cash terms from 2021-22. The Parliamentary Under-Secretary of State for Work and Pensions Mims Davies <a href="https://doi.org/10.1001/jac.2016-

- Strengthen local authorities' power to enforce and protect renters' rights.
- Privately rented homes must meet the Decent Homes Standard for the first time.

To meet the Decent Homes Standard, the property must:

- o Be free of the most serious health and safety hazards
- o Be in a decent state of repair
- o Have adequate kitchens, bathrooms and common areas which are located correctly, have clean, appropriate, and useable facilities, are not too old and have decent noise insulation
- o Be warm and dry.

The government launched a <u>consultation in September 2022</u> to ensure the Decent Homes Standard would be applied and enforced appropriately and fairly in the private rented sector. It has said it will respond and set out the next steps in due course.

Rental accommodation standards came into focus following the death of two-year-old Awaab Ishak, who died from a respiratory condition caused by "extensive" mould in the social home that he lived in. The Decent Homes Standard follows steps to address disrepair issues in social rented properties.

• The government will work with the Ministry of Justice and His Majesty's Courts and Tribunal Service (HMCTS) to target the areas where there are unacceptable delays in court proceedings.

Where court action is required for evictions, court users will be able to use a modern, digital service. The government will work with courts to explore the prioritisation of certain cases, including antisocial behaviour cases.





REACTION

The following is a compilation of excerpts of initial reactions to the white paper from gambling companies, campaigners and other stakeholders, presented in no particular order and including links to original sources:

"Our new laws introduced to Parliament today will support the vast majority of responsible landlords who provide quality homes to their tenants, while delivering our manifesto commitment to abolish Section 21 'no-fault' evictions. This will ensure that everyone can live somewhere which is decent, safe and secure – a place they're truly proud to call home," Michael Gove, Secretary of State for Levelling Up, Housing and Communities said in a statement.

"One of my worries about the Renters Reform Bill is the reliance on local authority enforcement, given the sheer size of the PRS [private rental sector] in areas with very stretched local authorities which have already been reduced to shoestring budgets," Peter Apps, deputy editor of Inside Housing, said on Twitter.

"There's some good news for renters in the bill but it won't be enough to fix our broken housing system... If this bill is implemented and enforced properly, it'll be something to celebrate. But ultimately landlords can still use rent hikes to push tenants out of their homes, and there's still no sign of the rent controls and new social housing that the country needs," New Economics Foundation (NEF) campaign group said on Twitter.

"This is a huge victory for @genrentuk members of the @RentersReformCo and thousands of renters who have taken action over the years. But it is still only one step closer – the hard work continues to make sure the Bill achieves real improvements to renters' lives," Dan Wilson Craw, acting director of the Generation Rent campaign group said on Twitter.

"I do have concerns about the Renters Reform Bill. 1. Landlords will now be able to evict tenants by claiming to move family in. Will this be exploited as an alternative to section 21? 2. Local authorities have had funding slashed massively over the last 13 years...They are now under pressure to enforce this bill and monitor landlords. Will they be given the huge funding needed to do this?," social housing campaigner Kwajo Tweneboa, said on Twitter.

"We agree with these [Kwajo Tweneboa's] concerns. Especially on the funding. The Homelessness Reduction Act increased duties without supporting resources for local authorities and guess what? Homelessness was not reduced," Museum of Homelessness said on Twitter.

"Our research has found how property interests permeate our political system. With many MPs also being landlords, there's a risk their personal affairs conflict with their responsibility to seek safer, more secure, affordable housing for constituents," Transparency International said on Twitter.

"Thank you! With your support, the Housing Secretary has brought forward the Renters' Reform Bill, which has the power to help support pet ownership for millions of renters," Battersea Dods and Cats Home said on <u>Twitter</u>.

"AdvoCATS HQ's Roswell is really happy that the Renters Reform bill is being introduced to Parliament TODAY!!," campaign group AdvoCATSeastmids said on <u>Twitter</u>.

"Whilst we welcome the Government's pledge to ensure landlords can effectively recover properties from anti-social tenants and those failing to pay rent, more detail is needed if the Bill is going to work as intended... Likewise, the Government must recognise the serious



concerns of landlords letting to students about open ended tenancies," Ben Beadle, Chief Executive of the National Residential Landlords Association (NRLA), said in a <u>statement</u>.

"The end of no fault evictions will massively redress the power imbalance between landlords and tenants, but the fight is not over. We will be pushing to make this bill as strong for tenants as possible as it goes through parliament," the Acorn union said on <u>Twitter</u>.

"Given cost of living pressures and rising homelessness rates, often linked to the end of a private rented sector tenancy, we particularly welcome the end of the landlord's right to end the tenancy without good reason and measures to tackle arbitrary and unfair rent increases. We're pleased to see the establishment of an Ombudsman for private renters and a portal to support private landlords to understand and fulfil their obligations, and to enable tenants to better hold their landlords to account," Chartered Institute of Housing (CIH) chief executive Gavin Smart said in a statement.

"It is vital the draft bill is fair to both tenants and landlords who already must comply with a host of legal obligations. The danger is that some landlords will simply decide they have had enough and quit at a time when there is already not enough rental property to meet demand - making the current situation far worse. Sadly, any costs involved in additional red tape are likely to be passed onto tenants," Ben Quaintrell, founder and managing director of estate agency group My Property Box, said in a <u>statement</u>.

"An important set of proposals but we at @RentersReformCo will be pushing for them to go further...We will be scrutinising the legislation in detail over the coming weeks to ensure it doesn't contain loopholes that unscrupulous landlords will exploit – we are particularly concerned that landlords may continue to use unaffordable rent rises as de facto no-fault evictions," Tom Darling, campaign manager of the Renters' Reform Coalition group, said on Twitter.

"The removal of 'no fault' evictions is a significant step towards tackling our national homelessness crisis, and we are also glad to see the introduction of an Ombudsman for the private rented sector, as an additional mechanism for tenants to seek appropriate redress from their landlord," Cllr Darren Rodwell, housing spokesperson for the Local Government Association, said in a <u>statement</u>.

"Last year there were 1,915 no-fault evictions in London... abolishing no-fault evictions is the bare minimum. Renters still need more protections...It's vital that further rent controls are also introduced," Trust for London campaign group said on <u>Twitter</u>.

"LRU has campaigned to end sec. 21 for five years, because everyone has a right to a secure home. But this is the bare minimum. Now we need action to stop rent hikes," London Renters Union said on Twitter.

"Next we will end unfair rent hikes and other exploitative landlord practices to give more power to renters," the Peace and Justice Project group said on <u>Twitter</u>.

"The proposed Renters (Reform) Bill is long overdue and includes vital provisions, such as stopping landlords refusing to house families and those on benefits. BUT if there is no limit on how much they can charge, then these reforms aren't worth the paper they are written on," the Women's Equality Party said on Twitter.

"I think the ending of Section 21 is really good news...We are worried about the anti-social behaviour provisions in the bill. There is a risk that these will mean that domestic abuse victims are more likely to become homeless...And we also really want to see some proper timings on when the government



are going to make it illegal to evict people just because they have children or refuse to let to people just because they have children," Polly Neate, CEO of the Shelter charity, <u>said</u> on BBC Radio.

"Feels like an opportunity missed on the #RentersReformBill. Glad no fault evictions finally banned but loophole to help landlords avoid it, no proper rent controls, nothing to tackle old & damp in homes. Renters deserve justice – this doesn't cut it," Green MP Caroline Lucas said on <u>Twitter</u>.

"The government first promised reform for tenants in the private rented sector over four years ago. But after years of delay, broken promises and arguments amongst themselves, the PRS increasingly resembles the wild west and it's far from clear this government can deliver," Lisa Nandy, Labour Shadow Secretary for Levelling Up, Housing and Communities, said on Twitter.

"The measures announced today as part of the Renters (Reform) Bill will mean that many more dogs can stay living with their loving families. This is great news for both owners and for the animal welfare sector alike," Owen Sharp, chief executive of the Dogs Trust, said in a <u>statement</u>.

"No fault evictions can often cause homelessness. The #RentersReformBill will help prevent people from ending up on the streets. We believe that it should be implemented as soon as possible," St Mungo's charity said on Twitter.

"We welcome the banning of no-fault evictions...Establishing a national property portal and ombudsman for private renters are positive steps towards improving the private rented sector," Social Finance UK said on Twitter.

"The ultimate objective of this bill, and on this we agree with the government, is to provide renters with far more rights and protections than they currently have." Matthew Pennycook MP, Shadow Housing Minister, <u>said</u> on Sky News.

"Nationwide is pleased that the government has released the long-awaited Renters' Reform Bill. This will provide much needed clarity for landlords and tenants, and support reform and modernisation for the private rented sector. We welcome the abolition of Section 21 'no fault' evictions' and replacing this with a clear list of reasons for eviction, such as anti-social behaviour. We hope this will be supported by court reform to speed up the eviction process when something has gone wrong during a tenancy. While it's good to see the Bill published, government must not lose sight of the mounting pressure landlords face through interest rate rises, rental arrears and the need for certainty over increased EPC requirements. If these are not adequately addressed, it will drive good landlords out of the sector, further exacerbating the undersupply of privately rented accommodation," said Damian Thompson, Director of Landlord at Nationwide Building Society, in a statement.

"We welcome the fact that no-fault eviction is ending. But the worry is that by expanding the grounds for landlords to evict people for antisocial behaviour, the government is creating a back door for landlords who otherwise would have used the no-fault route," said Deidre Cartwright, the senior housing manager at Standing Together Against Domestic Abuse, in a <u>statement</u>.

"Banning no-fault evictions is an essential step forward. Too often we've seen Londoners turfed out of their homes for no good reason and made homeless, turning their lives upside down. With London's homelessness pressures at near-record levels, we cannot afford for things to continue as they are. Boroughs want to work with the government to make a success of these reforms, but it is vital that councils are provided with the powers and resources we need to enforce the new rules. We will also continue to push for more action on the other issues driving London's housing crisis. This includes addressing the chronic shortage of affordable housing in the capital and using the benefits



system to provide more support for renters struggling to pay their rent, "said Cllr Darren Rodwell, London Councils' Executive Member for Regeneration, Housing & Planning, in a <u>statement</u>.

"Reforms to the private rented sector in England have been long awaited and the Bill will bring much needed clarity to letting agents, their landlords and tenants. Propertymark will support the UK Government to ensure the specific details work in practice for those on the ground, whilst providing both security and fairness for both parties of the rental agreement. It is also important implementation is well planned and managed as these reforms are significant for the sector," said Timothy Douglas, Head of Policy and Campaigns at Propertymark, in a <u>statement</u>.

"We have long needed a statutory single private rental Ombudsman - so I'm pleased to see it in the legislative plans. After all, disputes are often between two individuals - landlord and tenant – rather than between companies, so it can be very personal and difficult to sort. Crucially, it won't be voluntary, all private landlords will be required to join the Ombudsman, and it will have legal authority to compel apologies, take remedial action and pay compensation." Martin Lewis, founder of MoneySavingExpert.com, said in a <u>statement</u>.

"Ending no fault eviction is a sensible thing to do. Allowing people to have pets is a good thing to do as well ... we have got to strike the right balance here between ensuring renters can have somewhere safe and secure to live, and have a normal life there, and also ensure some rogue tenants don't disrupt the entire neighbourhood for people as well," said Richard Holden MP on Sky News.

Parliamentarians

This section provides a list of parliamentarians that have links to the Renters (Reform) Bill, including senior government figures involved in delivering housing-related policy and members of related parliamentary committees.

Government

Michael Gove, Secretary of State for Levelling Up, Housing and Communities michael.gove.mp@parliament.uk

Rachel Maclean, Minister of State (Housing and Planning) rachel.maclean.mp@parliament.uk

Felicity Buchan, Parliamentary Under Secretary of State (Housing and Homelessness) felicity.buchan.mp@parliament.uk

Shadow Cabinet

Lisa Nandy. Shadow Secretary of State for Levelling Up, Housing, Communities & Local Government lisa.nandy.mp@parliament.uk

Matthew Pennycook, Shadow Minister (Levelling Up, Housing, Communities and Local Government) <u>matthew.pennycook.mp@parliament.uk</u>

Sarah Owen, Shadow Minister (Levelling Up, Housing, Communities and Local Government) sarah.owen.mp@parliament.uk

Alex Norris, Shadow Minister (Levelling Up, Housing, Communities and Local Government) alex.norris.mp@parliament.uk



Levelling Up, Housing and Communities Committee:

Clive Betts (Lab, Sheffield South East) officeofclivebettsmp@parliament.uk

Bob Blackman (Con, Harrow East) bob.blackman.mp@parliament.uk

lan Byrne (Lab, Liverpool, West Derby) ian.byrne.mp@parliament.uk

Natalie Elphicke (Con, Dover) natalie.elphicke.mp@parliament.uk

Ben Everitt (Con, Milton Keynes North) ben.everitt.mp@parliament.uk

Kate Hollern (Lab, Blackburn) <u>kate.hollern.mp@parliament.uk</u>

Paul Holmes (Con, Eastleigh) paul.holmes.mp@parliament.uk

Andrew Lewer (Con, Northampton South) andrew.lewer.mp@parliament.uk

Mary Robinson (Con, Cheadle) <u>mary.robinson.mp@parliament.uk</u>

Nadia Whittome (Lab, Nottingham East) <u>nadia.whittome.mp@parliament.uk</u>

Mohammad Yasin (Lab, Bedford) mohammad.yasin.mp@parliament.uk

All-Party Parliamentary Group for the Private Rented Sector:

Andrew Lewer (Con, Northampton South) andrew.lewer.mp@parliament.uk

Karen Buck (Lab, Westminster North) buckk@parliament.uk

Baroness Grender (LD) grenderr@parliament.uk

Kevin Hollinrake (Con, Thirsk and Malton) kevin.hollinrake.mp@parliament.uk

All-Party Parliamentary Group for Housing Market & Housing Delivery:

Lloyd Russell-Moyle (Lab/ Co-op, Brighton Kemptown) lloyd.russellmoyle.mp@parliament.uk

Peter Gibson (Con, Darlington) peter.gibson.mp@parliament.uk

Paul Holmes (Con, Eastleigh) paul.holmes.mp@parliament.uk

Gagan Mohindra (Con, South West Hertfordshire) gagan.mohindra.mp@parliament.uk

Andrew Lewer (Con, Northampton South) andrew.lewer.mp@parliament.uk





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