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Renters' Reform Bill, Second Reading, House of Commons

DATE TBC

KEY MESSAGES

- The LGA welcomes the long-awaited Renters' Reform Bill which will help to deliver a fairer, more secure, and higher quality private rented sector (PRS). The Bill introduces a range of reforms to achieve this, including abolishing unfair Section 21 "no fault" evictions; ending the system of assured shorthold tenancies; creating a new register of PRS landlords and property portal to improve data on the PRS and drive up standards across the sector; and establishing an Ombudsman for the PRS to help tenants and landlords to resolve disputes.

- The Bill places significant new regulatory and enforcement responsibilities on councils, including maintaining the landlord register and ensuring compliance with the landlord register, property portal and grounds for possession. We welcome the provisions in the Bill that enable local authorities to keep the proceeds of financial penalties to reinvest in enforcement activity. While this funding will be helpful, it is unlikely to be sufficient to cover the full costs of new duties in the Bill or the cost of undertaking proactive work to drive up standards for tenants. Many councils are already struggling to resource their enforcement teams to undertake the scale of proactive work that is needed in the PRS due to reductions in local government funding and wider financial pressures. For the reforms in the Bill to be effective, it is vital that Department of Levelling Up Communities and Housing (DLUCH) conducts a realistic assessment of the resources councils need to regulate the PRS effectively, and provides them with adequate new burdens funding.

- Effective enforcement relies on having the right number of trained and qualified staff, which councils are already facing significant challenges in recruiting. DLUHC should urgently work with sector experts to develop a skills and capacity building strategy to tackle current workforce challenges ensure that local authorities can support effective implementation of the reforms.

- We welcome the Bill's introduction of a database for landlords and residential properties, which will form the basis of the future 'property portal.' All landlords will be required to be registered on the portal to market or let a property, and the database will record when landlords are subject to banning orders and other relevant civil penalties and offences. This will not only allow tenants to view critical information before letting a property, but will improve data on the PRS, allowing local authorities to more effectively target enforcement activity. It is critical therefore that Government commits the resources, both financial and non-financial, to the Property Portal to ensure its longevity.

- Rents in the PRS are at a record high. We support the proposals which seek to prevent above market rent increases including limiting rent increases to once a year and giving tenants the ability to challenge excessive rent increases through an independent tribunal. We would welcome clarity on whether the tribunal will be able to propose a higher rent increase than initially proposed by the landlord. This would inherently discourage use of this process and undermine the tribunal's purpose of providing tenants with stronger protections against excessive rent hikes. It is therefore vital that the tribunal can only confirm or reduce a proposed rent increase – but not propose further increases.

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- The Bill will do nothing to support private renters who are already struggling to afford their rent alongside other cost of living pressures. The LGA continues to call on the Government to tackle the drivers of high housing costs by empowering councils to boost housing supply and build 100,000 high-quality, sustainable social homes a year. It is also vital that Government re-aligns Local Housing Allowance with at least the 30th percentile of local property values in the PRS, so low-income households can afford homes in the PRS and are not pushed into poverty or homelessness.

- The Bill creates reforms existing grounds for possession and creates new grounds. We recognise that there must be mechanisms in place to give landlords the flexibility to recover their property when needed. However, Government must introduce statutory guidance that places a requirement on landlords to provide robust evidence they are selling the property, moving in themselves or moving in a family member to ensure these grounds are not used erroneously. We support extending the three-month ban on landlords reletting/remarketing their property to six months, for this measure to act as a sufficient deterrent from these grounds being misused. We have concerns regarding the ambiguity of the Bill's definition of anti-social behaviour, and want to work with Government to revise the definition of anti-social behaviour on the face of the Bill to reduce the risk of this ground being open to abuse.

- Enforcement of several aspects of the Bill, including the landlord register and the grounds for eviction, rely heavily on tenants understanding the legislation and being able to identify and report non-compliance. We have particular concerns about local authorities' ability to effectively enforce compliance with the ban on landlords reletting or remarketing their property for 3 months, as this is wholly reliant on former tenants noticing that the property is back on the market after they have been evicted. In addition to the ability to issue fines, we therefore believe that local housing authorities and tenants should be able to seek rent repayment orders (RROs) from landlords that do not comply with the landlord register, property portal, or mis-use grounds for eviction. RROs would act as an additional deterrent for non-compliance. Crucially, they would also incentivise tenants to engage with the property portal and check whether their landlord and property are registered, and check whether their former landlord has mis-used grounds for eviction. RROs will be a crucial tool in supporting councils' enforcement work, reducing the burden on local authorities, and ensure these measures deliver improvements in the PRS.

- It will be vital for landlords and tenants to be aware of the changes under the new legislation, particularly given that the success of many of the reforms relies on tenants being aware of the regulations and their rights. The Government should launch a national, well-resourced information campaign ahead of implementation, targeted to residential landlords and tenants in the PRS.

- Councils will be able to impose financial penalties up to £5000 where a landlord has misused the grounds for possession to evict a tenant. To act as an effective deterrent, the maximum financial penalty that local housing authorities can issue to landlords for breaches to the legislation should be increased from £5000 to £30,000 (with a minimum limit of £500). This is in line with other financial penalties that can be issued by enforcement authorities against landlords who breach legislation, for example the Leasehold Reform (Ground Rent) Act 2022.

- Selective licensing schemes will continue to be an important tool for councils to manage and improve PRS properties in their areas. Local areas should have full

flexibility to employ selective licensing schemes to meet local need. As such, we are calling on Government to amend the Housing Act 2004 to remove the requirement for councils to seek approval for larger selective licensing schemes.

Background

End of certain kinds of assured tenancy

Clauses 1 and 2

- The Bill will abolish fixed term tenancies and Section 21 evictions, which allow landlords to evict tenants without a reason.
- All tenants who would previously have had an assured tenancy or assured shorthold tenancy will move onto a single system of monthly, 'rolling' tenancies.

LGA view

- The latest homelessness statistics show that the number of households at risk of homelessness due to being served with a Section 21 notice increased by 168.4 percent compared to the same quarter in the previous year last year. These figures are higher than the last quarter of 2019, which indicates that the increase is more than just a rebound from the end of the eviction ban during the pandemic. The ending of a private rented tenancy was the most common reason for a household being owed a homelessness prevention duty (36.6 per cent).
- We support the end to Section 21 'no fault' evictions and the end to assured shorthold tenancies, which will help to give PRS tenants greater security in their homes and reduce the number of people facing homelessness due to abrupt evictions or a tenancy ending. Ending Section 21 will also help ensure tenants can report issues to their landlord and request repairs without fear of a retaliatory eviction.
- Because the current Section 21 is widely used due to it being a guaranteed and mandatory "no-fault" eviction, it is currently impossible to tell from the homelessness statistics why these tenancies are being ended. Therefore, the abolition of Section 21, will not only offer renters better security but it will also give councils and central government more accurate information on why tenancies are ending.

Changes to grounds for possession

Clauses 3 and 4

- The Bill introduces three new mandatory grounds possession, which will enable landlords to regain their properties.
- New ground 1 and 2 allow a landlord to regain possession if they or their family want to live in the property, or they wish to sell the property. The notice period for these grounds will be two months. Landlords will not be able to use them in the first six months of a tenancy, and they will be banned from reletting or remarketing their property within 3 months.
- The Bill also includes a new mandatory ground for eviction, in the case where a tenant has been in at least two months' rent arrears three times within the previous three years. The notice period for the rent arrears ground will be increased to four weeks from two weeks.

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- The Bill will expand the existing discretionary ground to evict tenants who exhibit anti-social behaviour, to include behaviours “capable of causing” nuisance or annoyance. Currently, the landlord must demonstrate that a tenant’s behaviour is "likely to cause” a nuisance or annoyance. On this ground, landlords can begin eviction proceedings immediately.

LGA view

- We recognise that there must be mechanisms in place to give landlords the flexibility to recover their property when needed, including when they want to live in or sell the property. However, to prevent these grounds being misused, Government must publish statutory guidance that places a requirement on landlords to provide robust evidence they are selling the property, or that they or a family member are moving into the property.
- The three-month ban on landlords reletting/remarketing their property should be extended to six months. We believe that a six-month ban strikes the right balance to act as a sufficient deterrent to prevent these grounds being mis-used to evict tenants erroneously, while allowing for changes in landlords circumstances.
- We have concerns regarding the ambiguity of the Bill’s definition of anti-social behaviour. Including all behaviour that is ‘capable of causing’ nuisance or annoyance sets a low bar for what constitutes anti-social behaviour. We want to work with the Government to revise the definition of anti-social behaviour on the face of the Bill to reduce the risk of these grounds being open to abuse. Government should also deliver on their commitment to bring forward guidance outlining what constitutes anti-social behaviour.
- Social landlords should also have the same grounds for possession as private landlords. We continue to work with the Government on the practicalities of this section.

Rent increases

Clauses 5 and 6

- Landlords will be able to raise rents annually to market prices (i.e. what they could expect to receive if letting to a new tenant on the open market) and must provide two months’ notice of any change.
- Tenants will be able to challenge above-market rent increases through the First-tier Tribunal (property chamber).
- These clauses seek to prevent above market rent increases being used to force tenants to vacate a property.

LGA view

- We support the proposals that seek to regulate rent increases to once a year, increase the notice period for rent increases from one to two months, and enable tenants to challenge excessive rent increases through an independent Tribunal.
- Increasing the notice period for a rent increase from one to two months will give private rented sector tenants a longer period of time to plan for rent increases. On that basis, the 2-month notice period should also be extended to tenants living in relevant low-cost tenancies (as defined by the Bill), instead of the 1-month currently being proposed.
- It is critical that the process for tenants to challenge excessive rent increases through the independent tribunal are accessible and understood by all. The process must also be efficient and avoid unnecessary delays that may put the housing security and

the wellbeing of the household at further risk.

- The Government's guidance states that 'to avoid fettering the freedom of the judiciary, the tribunal will continue to be able to determine the actual market rent of a property.' We would welcome clarity on whether this means the tribunal will be able to propose an even higher rent increase than initially proposed by the landlord. Determining the market rent of a property is not a simple task, hence why challenges go to through the Tribunal. It is unreasonable that the burden of accurately assessing the rent should fall to the tenant in order to have the confidence to seek a determination from the Tribunal.
- If the Tribunal risks tenants having to pay even higher rents, it will inherently discourage the use of this process and undermine the tribunal's purpose of providing tenants with stronger protections against excessive rent hikes. It is therefore vital that the Tribunal can only confirm or reduce a proposed rent increase – but not increase it.
- It will be important that tenants are aware of their rights under the new legislation relating to rent increases. This must be supported by a national, Government-led information campaign to make landlords and tenants aware of the new rules. Ensuring that landlords and tenants are aware will reduce the potential for non-compliance and in turn reduce the burden on the First-tier tribunal).
- We would welcome further information on what assessment has been made by the government of the potential impact that these new clauses will have on the capacity of the First-tier Tribunal (property chamber) to make decisions across its whole portfolio in a timely manner. Where impacts have been identified, we would welcome clarity on what steps are being considered to mitigate against delays to decision-making.
- The Bill will do nothing to support private renters who are already struggling to afford their rent alongside other cost of living pressures. We continue to call on the Government to tackle the drivers of high housing costs, by empowering councils to deliver a step change in council-house building and build 100,000 high-quality, sustainable social homes a year. It is also vital that Government re-aligns Local Housing Allowance with at least the 30th percentile of property value in the PRS, to ensure low-income households can cover the cost of actual rents and are not pushed into poverty or homelessness.
- To improve support for vulnerable households in rent arrears, Government should urgently review the funding and use of Discretionary Housing Payment to ensure that councils can use it to restore financial stability and sustain tenancies as well as working with councils and housing providers to strengthen fair and effective debt management.

Renting with pets

Clauses 7 and 8

- The Bill requires landlords not to unreasonably withhold consent when a tenant in the PRS requests to have a pet in their home and enables tenants to challenge a landlords' decision through the Ombudsman.
- It will also amend the Tenant Fees Act 2019 so that landlords can require insurance to cover any damage caused by pets living in the property.
- This provision does not apply to tenancies of social housing.

LGA view

- These proposals are a welcome step which will help to improve the experience of renting and make it easier for tenants with pets to find accommodation in the PRS.

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- It is important that the changes are fair for both parties. We therefore support the proposal to enable landlords to require the tenant to take out an insurance policy, to cover any potential damage to the property caused by a pet.
- Landlords will be required to consider all requests on a case-by-case basis. It is welcome that the government has committed to publish guidance for tenants and landlords, which should help guide decision-making and outline examples of reasonable and unreasonable requests. This guidance should also support tenants to challenge decisions where they think that their request has been unreasonably rejected.
- If a prospective tenant already possesses a pet, they would have to make this request before agreeing to a tenancy, which would mean a delay before signing. This may mean prospective tenants with pets are passed over in favour of other applicants. We are concerned that this policy will therefore only make a difference for renters looking to buy a pet, rather than those who already have pets and are looking for accommodation. This is a risk highlighted by other organisations including the Joseph Rowntree Foundation.

Duties of landlords

Clauses 9 and 10

- The Bill mandates that landlords must provide a written statement of terms setting out basic information about the tenancy and both parties' responsibilities while retaining both parties' right to agree and adapt terms to meet their needs.
- This provision prohibits certain actions by a landlord or former landlord of an assured tenancy including misuse of possession grounds. It also prohibits a landlord from reletting or remarketing a property within three months of obtaining possession of the grounds of occupation or selling, personally or through a letting agent.
- This section does not apply to tenancies of social housing under which the landlord is a private registered provider of social housing.

LGA view

- Government must publish statutory guidance which places robust requirements on landlords to provide reasonable evidence they are selling the property, moving in themselves or moving in a family member.
- To ensure this policy achieves the government's intention, we support extending three-month ban on reletting/remarketing to six months. We believe that this strikes the right balance to disincentivise these grounds being mis-used to evict tenants, while allowing for changes in landlords circumstances.
- We have concerns about local authorities' ability to effectively enforce compliance with the ban on landlords reletting or remarketing their property for 3 months, as this is wholly reliant on former tenants noticing that the property is back on the market. In addition to the ability to issue fines, we believe that local housing authorities and tenants should be able to seek rent repayment orders (RROs) from landlords that mis-use the grounds for eviction. RROs would act as an important additional deterrent for non-compliance. Importantly, they would also incentivise tenants to engage with the property portal and check whether their landlord and property are registered, and check whether their former landlord has mis-used grounds for eviction. RROs will therefore be a vital tool in supporting local authorities to enforce this measure and ensure it works in practice.

- It is critical that any new burdens on local authorities in relation to enforcement of such a ban are met with adequate upfront funding and resources from the Government. DLUHC's own research and consultation with councils on PRS enforcement identified that the current capacity of enforcement teams was often not sufficient to proactively tackle poor standards and conditions.
- A redress scheme should be available for tenants who feel their landlord misused possession grounds, including cases where a landlord has relet or remarketed a property within three months of possession on the grounds of occupation or selling.

Landlords etc: financial penalties and offences

Clauses 11-12

- Clause 11 adds new provisions to the Housing Act 1988, to introduce financial penalties for landlords who breach the prohibitions in Clause 10, including those relating to the misuse of possession grounds and for not providing a written statement of terms as required by Clause 9.
- The clauses are intended to deter non-compliance and help local authorities proportionately target enforcement activity against landlords who disregard their obligations to tenants.
- Local housing authorities will be able to impose financial penalties up to £5000, where they are satisfied beyond reasonable doubt that a landlord or former landlord has contravened provisions contained in clauses 9 or 10.
- Alternatively, where a landlord or former landlord is found guilty of an offence through the courts they may be liable for a fine of up to £30,000 or prosecution.
- Clause 12 sets out the process a local housing authority needs to follow before imposing a financial penalty as well the appeals process for landlords. It provides that local housing authorities may use the proceeds of financial penalties to fund costs and expenses associated with carrying out enforcement activity in the PRS.

LGA view

- We fully support the intent behind these clauses, as it is important that local authorities can issue appropriate financial penalties to hold landlords to account. To enable councils to carry out these enforcement duties effectively, it is critical that any new burdens on local authorities are met with adequate upfront funding and resources from the Government.
- We welcome the provisions in the Bill that enable local authorities to keep the proceeds of financial penalties to reinvest in enforcement activity. While allowing councils to keep money from fines is helpful, this funding is unlikely to be sufficient to cover the full cost of undertaking proactive work in the PRS to prevent non-compliance and drive up standards for tenants. To support this work, councils will need sustainable revenue funding from Government, especially as it will be councils' intention to issue financial penalties or undertake criminal proceedings as a last resort.
- To act as an effective deterrent to landlords, the maximum financial penalty that local housing authorities can issue to landlords for breaches to the legislation should be increased from £5000 to £30,000 (with a minimum limit of £500). This is in line with other financial penalties that can be issued by enforcement authorities against landlords who breach legislation, for example the Leasehold Reform (Ground Rent) Act 2022.
- Multiple inquiries and reviews, including the Public Accounts Committee's (PAC's) inquiry into the Regulation of private renting and DLUHC's own research and

consultation with councils identified that many local enforcement teams do not currently have the resources and capacity to proactively tackle poor standards and conditions in the PRS. As recommended by the PAC, is vital that DLUCH conducts a realistic assessment of the resources councils need to regulate the PRS effectively. New burdens should then be allocated accordingly.

- Effective enforcement is reliant on having the right number of trained and qualified staff, which councils are facing significant challenges in recruiting. A recent LGA workforce survey showed that 45 percent of councils were having difficulties recruiting environmental health officers and 25 percent were having difficulties retaining housing officers.
- New regulatory responsibilities will exacerbate existing pressures in skills capacity and recruitment. We want DLUCH to urgently work with sector experts to develop a skills and capacity building strategy to ensure that local authorities can support effective implementation of the reforms. This also needs to take into account the cumulative impacts of new responsibilities/duties falling on councils relating to oversight and enforcement activity in the PRS in recent years.

Removal expenses

Clauses 14-16

- The Bill provides for private registered providers of social housing to pay tenants' removal expenses when they re-possess the property on the grounds of redevelopment or providing suitable alternative accommodation.

LGA view

- It is unclear why only private registered providers of social housing have to pay removal expenses. We would like to see a consistent approach to landlords, regardless of whether they are in the private or social rental sector.

Accommodation for homeless people: duties of local authority

Clause 18

- Currently, local authorities have a prevention duty (duty to help prevent people from becoming homeless) for every household that is served with a valid Section 21 eviction notice.
- Following the removal of Section 21, the Bill clarifies that local authorities must continue to consider that someone is threatened with homelessness if they will become homeless within 56 days. However, assessments for whether a local authority owes a household a prevention duty will now be based on the individual circumstances of each case.
- The Bill also removes the reapplication duty from the homelessness legislation. The reapplication duty currently applies when a household at risk of homelessness accepts an offer of private rented accommodation (thereby ending the local authorities' duty to help prevent them becoming homeless) becomes homeless again within two years. In this case, the local authority which offered the private rented accommodation owes the household the 'reapplication duty' and it is their responsibility to help secure accommodation for the applicant.
- The Bill will require all households who reapply for the prevention duty to be assessed for their eligibility for support based on their current circumstances, with no

distinction between those who accepted private sector or social housing offers to end their previous main duty.
- Given the abolishment of fixed term tenancies, the Bill will replace the requirement for local authorities to offer private rented accommodation for at least 12 months with a requirement to offer an assured tenancy.

LGA view

- Local authorities will always assist households facing homelessness. We are pleased to see that, in line with our consultation response on consequential changes to the homelessness legislation, that the Government has taken forward Option 1 from its consultation. This will give local authorities discretion over when to accept a homelessness duty and decide if it can appropriately be discharged, in cases where they believe that an individual is not at risk of homelessness.
- Homelessness services are at the sharp end of the housing emergency and are facing unsustainable demand. An increasingly unaffordable private rented sector, combined with frozen Local Housing Allowance rates, a shortage of social housing, the rising cost-of-living and the impact of supporting new arrivals and refugees is creating the perfect storm for a homelessness crisis.
- While this change will help councils to prioritise their work more effectively in the face of current pressures, there is a risk it may lead to some areas focussing limited resources on emergency cases rather than preventive work to stop households becoming homeless in the first place. As a local connection is not required for a local authority to accept a prevention duty, councils are concerned that the change may also result in people seeking support via the prevention duty in areas which have more capacity to support a wider range of cases. This underlines the need for all councils to be adequately resourced, based on local need, to meet the demand for homelessness support within their own area. We would also welcome Government guidance to address this issue.
- To address current pressures, we continue to call for Government to take a cross-departmental approach to homelessness prevention, including adequate funding for councils' homelessness prevention work and national policy reform to address the drivers of homelessness. This must include re-aligning LHA rates with at least the 30th percentile of market rents in the PRS.

Penalties for unlawful eviction or harassment of occupier

Clause 22

- Clause 22 adds new provision to the Protection from Eviction Act 1977 to enable local housing authorities to issue financial penalties of up to £30,000 for an offence under section 1 of that Act. This will apply in cases where they are satisfied beyond reasonable doubt that the person has committed an offence.
- It also provides that a person cannot be convicted of an offence under section 1 for any conduct if a financial penalty has already been imposed under new section 1A in respect of that conduct.

LGA view

- We broadly welcome this new power for local housing authorities to issue financial penalties where they are satisfied beyond reasonable doubt that a landlord has committed an offence under section 1 of the Protection from Eviction Act 1977.A

local housing authority should also be able to impose a civil penalty and seek a rent repayment order in relation to offences under section 1 of the Protection from Eviction Act 1977. This would act as a strengthened deterrent from repeat offences and also dissuade others from committing similar offences. There is already a precedent for this in relation to a number of other offences under the Housing Act 2004, for example failure to comply with an Improvement Notice.

Landlord Redress Schemes

Clauses 24, 25, 26 and 27

- Clause 24 enables the government to approve or designate a redress scheme for private residential tenants, which will deliver on the Government's commitment to create a new Ombudsman for the private rented sector.
- Secondary legislation will be used to require prospective, current, and former residential landlords to register with the redress scheme (the PRS Ombudsman).
- Clause 26 provides for a local housing authority to impose a financial penalty on a landlord if satisfied beyond reasonable doubt that they have breached regulations under Clause 24 or committed an offence under Clause 27. These include when a landlord persistently or repeatedly fails to comply with the requirement to be a member the redress scheme or markets a property when they are not a member of the scheme.

LGA view

- We welcome the creation of an Ombudsman for the private rented sector. This will mean that private rented sectors tenants will have the same access to redress as those living in social housing and will ensure that tenants can hold landlords accountable for poor standards or non-compliance. The Ombudsman must have the appropriate set of powers to effectively and efficiently tackle poor-performing landlords and prevent reoccurrence of issues.
- The Housing Ombudsman Service for social housing has, in addition to undertaking dispute resolution, been a driver for improvement in the sector. The Ombudsman has provided a suite of tools and resources to promote best practice among both landlords and tenants. We would expect the PRS to also benefit from a similar improvement service.
- The current Ombudsman already serves some PRS landlords, who have joined voluntarily. Therefore, we consider that there is a strong case for an expanded role for the current Ombudsman, rather than the creation of a new Ombudsman for the PRS. This would provide a single, clear access route for redress for everyone living in a rented property, whether it be in the private or social rented sector.
- Regardless of whether the Government expands the current role of the existing Housing Ombudsman Service or sets up a separate Ombudsman for the PRS, it should provide the necessary resources to cover the anticipated work, which equates to 1.5 million landlords and 4.4 million households in the PRS.
- We broadly welcome the powers for local housing authorities to issue financial penalties as appropriate for non-compliance with the redress scheme/ Ombudsman.
- We also welcome the provisions in the Bill that allow local authorities to keep the proceeds of financial penalties to reinvest in enforcement activity. However, this must be combined with adequate revenue funding to cover the costs of proactive work to minimise non-compliance in the first place.

Clause 29

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- This Clause allows for an approved redress scheme to be able to investigate complaints from tenants where their landlord fails to address their complaint appropriately or in a timely manner and, where appropriate, compel a landlord to take action to put things right or provide compensation.
- Where the complaint from a tenant concerns the breach of a regulatory threshold, local housing authorities may take enforcement action to bring the landlord or property into compliance with the regulations, and, using its discretion, to sanction landlords.
- In these circumstances, tenants will be able to complain to either the local housing authority or an approved redress scheme.
- The clause also allows for official guidance on how local authorities and any approved redress scheme will work together to resolve complaints where both parties have a jurisdictional interest.

LGA view

- We would like to work with the government to understand how this proposal, which will enable tenants to complain to either the local housing authority or an approved redress scheme on particular issues, will work.
- There is a risk that having two separate routes of redress will add unnecessary complexity and confusion to the system, as well as potential duplication of activity.
- Clear, unambiguous guidance and close collaboration between the redress scheme and local authorities will be critical to ensure that there is consistent approach to resolving issues for tenants as quickly and efficiently as possible.

Private Rented Sector Database

Clauses 32 – 51

- Clause 32 will establish a database of existing residential landlords, prospective residential landlords and dwellings which are, or intend to be, let under residential tenancies. This new database will provide the basis for the future Privately Rented Property Portal service.
- The database will also record when landlords are subject to banning orders, and landlords who have been convicted of other offences, financially penalised for other specified breaches or are subject to other regulatory action.
- Clauses 34 to 36 specify that landlords will have a period of 28 days after registering on the database to comply with regulatory requirements. Landlords will need to keep entries on the register up to date with key documentation, such as gas safety certificates for the entry to remain active.
- An entry may become ‘inactive’ and no longer publicly viewable if it expires without renewal, or if the property is no longer being let and the owner makes a request to deactivate it. Once an entry is inactive, the property cannot be marketed, advertised or let.
- Clause 37 requires local housing authorities to have a role in running the database, including authenticating, editing and removing incorrect entries, if the database cannot be automized.
- Clause 38 stipulates that landlords must pay a fee to register on the database. Landlords will also face late payment fees if they do not re-register within the specified timeframe. These fees will either be specified through regulations or set by the database operator, so they can be amended to reflect the costs of operating the database.

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- Clause 39 provides that dwellings and the associated private landlords must be required to be registered on the database before they can be let, or before they are advertised for let. These restrictions will apply to landlords, letting agents and to anybody who advertises a dwelling as available to let.
- Clause 40 will require local housing authorities to enter all eligible offences and all civil penalties on the register, making offence data publicly viewable. This includes when a local authority has issued a landlord with a relevant banning order or a financial penalty in relation to a relevant banning order offence Local housing authorities will also have the power to make entries on landlords who have received a conviction or financial penalty in relation to a relevant banning order offence when it imposed by person other than the local housing authority.
- Clause 47 will introduce penalties for landlords that breach the requirements of the database, including by providing knowingly or recklessly misleading information (Clause 48). These will be set by the authority imposing the penalties, but they must not exceed £5,000 or £30,000 respectively.

LGA View

- We welcome the introduction of a database for landlords and residential properties. We are pleased the Government recognise the important role of robust data which will better support councils to target and tackle non-compliant landlords.
- The forthcoming property portal will also create a more transparent system for tenants, by providing a 'single front door' to check important information about prospective properties and landlords.
- Given that the register and property portal will be a vital tool to support an effective enforcement regime for the PRS, it is critical therefore that Government commits the resources, both financial and non-financial, to the Property Portal to ensure its longevity.
- The LGA believes that local housing authorities and tenants should also be able to seek rent repayment orders (RROs) from landlords that do not comply with the requirements of the database or commit an offence related to the database. The introduction of RROs for non-compliance with the database would act as an additional deterrent for landlords committing repeat offences. Importantly, it would also incentivise tenants to engage with the property portal and check whether their landlord and property are registered and compliant. This would help to support local authorities' enforcement work against a minority of rogue landlords who may seek to evade compliance.
- There is a precedent for the use of RROs in relation to a wide-range of other offences under the Housing Act 2004, for example failure to comply with an Improvement Notice.
- There will be new pressures on local authorities following the introduction of the database including monitoring compliance with the duty to register; enforcing against those that are not registered; and reporting compliance. This will require sufficient, upfront new burdens funding.

Enforcement authorities

Clauses 58 and 59

- Clause 58 provides that enforcement of the prohibitions of the landlord legislation will be the duty of local housing authorities in England. A reference to a local housing authority taking enforcement actions relates to imposing a financial penalty or

instituting proceedings against a person for an offence, under the landlord legislation.
- Clause 59 makes provision for the notification requirements on a local housing authority when it plans to take enforcement action in a different local housing authority's geographical area.

LGA view

- We would welcome further clarity on clause 58 which appears to confer a duty of enforcement on local housing authorities, which will make enforcement activity statutory.
- This clause is at odds with other clauses in the Bill relating to enforcement e.g. issuing of financial penalties, which is worded 'a local housing authority *may* impose' which signifies that enforcement activity is discretionary.
- It would be expected as good practice that a local housing authority would notify another local housing authority if they planned to take enforcement action in their area.

Lead enforcement authority

Clauses 60-62

- Clause 60 gives the Secretary of State the power to appoint a lead enforcement authority, or lead enforcement authorities, for the purposes of any provisions of the landlord legislation. The approach is similar to that taken in existing estate and letting agent legislation
- Clause 61 sets out the duties and powers of a lead enforcement authority. A lead enforcement authority's functions to issue guidance, information and advice to more than 300 local housing authorities will help local authorities enforce the measures in a consistent way.
- Clause 62 gives a lead enforcement authority the power to enforce the provisions for which it is responsible. A lead enforcement authority provides an opportunity to create a centre of expertise on the relevant legislation and can act as a backstop for enforcement

LGA view

- We support the principle of a lead enforcement authority to support councils in enforcing the new legislation. The use of a lead enforcement authority for this type of new responsibility can help to ensure that funding is appropriately targeted at the organisations enforcing specific areas of activity.
- Councils will require clear and timely guidance in order to enforce the new legislation effectively. This will help local authorities to bring about a consistency in enforcement across the country, ensuring that an appropriate balance is struck between the rights of tenants and landlords.
- Whilst the lead enforcement authority role is welcome, effective enforcement of regulations is reliant on an adequate number of qualified and trained staff.
- DLUHC should urgently work with sector experts to develop a skills and capacity building strategy to ensure that local authorities can support effective implementation of the reforms.

Government policy on supported and temporary accommodation

Clause 63

Appendix A

- Clause 63 requires the Secretary of State to publish a report on the new National Supported Housing standards (introduced in the Supported Housing (Regulatory Oversight Bill), which outlines how these will be developed, overseen and enforced.

LGA view

- Local Government shares the ambition of driving up standards in supported housing and temporary accommodation.
- We look forward to working with the Government to develop standards that are fit-for-purpose and deliver genuine improvement while recognising the increased pressure this may place on councils.
- Alongside this, Government must establish a locally-led and fully funded oversight and enforcement regime for exempt supported accommodation within a strengthened national regulatory framework to address growing issues in the sector. We support the introduction of the Supported Housing (Regulatory Oversight) Bill, as a vital first step in achieving this.
- There should be a full consultation on the detail of the report, with full engagement with local government and other key stakeholder to ensure standards and proportionate and realistic.

Blanket bans on renting to families with children or those in receipt of benefits.

Not currently included in the Renters (Reform) Bill

- The A Fairer Private Rented Sector white paper committed to make it illegal for landlords and agents to have blanket bans on renting to families with children or those in receipt of benefits – to encourage landlords to make decisions about who to rent to, based on individuals' circumstances.
- The government is considering how to implement these policies and intends to bring forward legislation "at the earliest opportunity within this Parliament".

LGA view

- The NAO estimated that 52 per cent of landlords were unwilling to let to those on housing benefit. In addition, 26 per cent of PRS households and families receive some form of Housing Benefit and are at risk from these kinds of restrictive practices. These practices are unacceptable, and it is often those that are in receipt of housing support that are most at risk of homelessness. We, therefore, welcome the proposal to outlaw the imposition of a blanket ban on letting to those in receipt of benefits and/or with children.
- For this new policy to be enforceable, identification of No DSS practices must be measurable and objective. Prospective tenants and the regulatory authorities must be able to point to evidence that refusal to consider has occurred. As an example, through advertisement or through refusal to allow the prospective tenant to view the property because they have children or are in receipt of benefits.
- The reforms do not include protections for other groups that have experienced blanket bans, such as non-UK passport holders and prison leavers, and so the proposals would not deliver a fairer PRS for those cohorts.

Decent Homes Standard

Not currently included in the Renters (Reform) Bill

Appendix A

- The Government has committed to applying the Decent Homes Standard to the private rented sector to give renters safer, better value homes and remove the blight of poor-quality homes in local communities.

LGA view

- The LGA responded to the government's consultation to extend the Decent Homes Standard to the private rented sector. Our response broadly welcomed the introduction of the standard, but councils need to be provided with adequate and upfront new burdens funding to regulate the standard.
- We have also stressed that to mitigate the risk of landlords exiting the PRS or passing the costs of meeting the DHS to tenants, an extended implementation timeframe would be appropriate.

Selective licensing schemes

Not currently included in the Renters (Reform) Bill

- Landlord licensing schemes can have significant benefits for both landlords and tenants, and particularly in respect of enforcement. For example, where landlord licensing is in place, there is an obligation on the 'person in control' to identify themselves to the council in order to secure a license.
- Having this information allows councils to contact private landlords quickly and easily when necessary. It also makes it much easier to implement effective complaint mechanisms which put tenants at ease.
- However, local authorities lack the flexibility to take forward whole area or area-specific licensing schemes. From April 2015, councils have been required to secure Secretary of State approval for licensing schemes that cover more than 20 per cent of the area or 20 per cent of privately rented homes.
- The government should implement the recommendation of the Housing, Communities and Local Government Committee and remove this 20 per cent threshold.