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Research Briefing

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Renters' Rights Bill 2024-25: Progress of the bill

Summary

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Summary

Report stage and third reading of the Renters' Rights Bill (127 of 2024–25), as amended in public bill committee, are scheduled for 14 January 2025. This briefing provides an overview of the progress of the bill through the House of Commons prior to report stage.

The bill, together with its explanatory notes, impact assessment and transcripts of the parliamentary stages, are available on the parliament.uk website: Renters' Rights Bill.

What would the bill do?

The bill implements commitments in the 2024 Labour Party manifesto to reform the regulation of the private rented sector and is intended to "give greater rights and protections to people renting their homes, including by abolishing section 21 'no fault' evictions and reforming grounds for possession". Most of the bill's provisions apply only to England.

The bill builds on the Renters (Reform) Bill, which was introduced in the House of Commons by the Conservative government on 17 May 2023. The Renters (Reform) Bill did not complete all its parliamentary stages before the dissolution of Parliament in May 2024.

The Commons Library briefing, Renters' Rights Bill 2024-25, describes the bill as it was originally introduced and explains its policy background.

Second reading in the Commons

The Renters' Rights Bill (8 of 2024–25) was introduced in the House of Commons on 11 September 2024 and had its second reading on 9 October 2024.

During the debate, many MPs gave examples of the significant challenges faced by tenants renting privately in their constituencies, and broadly welcomed the bill's provisions.

Some MPs expressed concerns about the reforms, particularly in relation to:

- the capacity of the courts and tribunals system
- the supply of student accommodation
- resources for local authority enforcement

Several MPs called on the government to go further with their reforms, for example by:

- introducing rent controls
- preventing landlords from asking for rent in advance and requiring rent guarantors
- compensating tenants when they were evicted through no fault of their own

The Housing Minister, Matthew Pennycook, indicated he would continue to consider several issues as the bill progressed, in particular: landlord requirements for rent in advance; and the bill's effect on the student rental market.

The Official Opposition tabled a reasoned amendment declining to give a second reading to the bill. The amendment was put to a vote and rejected (ayes: 104; noes: 424).

Public bill committee in the Commons

The bill was considered by a public bill committee over eight sittings in October and November 2024. The committee took oral evidence from expert witnesses during the first two sittings.

The government tabled 40 amendments to the bill, all of which were agreed. The majority of the amendments were minor, technical or consequential. The more substantive changes to the bill included to:

- give the court the power to order a landlord to pay compensation to a tenant where possession was obtained under new ground 6A. This ground would enable landlords to regain possession of their property if they were subject to enforcement action and needed to regain possession to become compliant.
- enable regulations to require landlords to provide relevant property information to the administrator of a landlord redress scheme. The information would have to be provided on application to become a member of the scheme and be kept up to date.

Opposition MPs tabled 55 amendments to the bill (of which 14 were new clauses), none of which were agreed. These included amendments to:

- exempt all full-time students from the new periodic assured tenancy regime.
- allow fixed-term tenancies to continue where a landlord and tenant mutually agreed to them.
- reduce the notice period for the ground for possession 1A (selling the property) from four to two months.
- lower the threshold for use of the discretionary anti-social behaviour ground 14 from "likely" to "capable" of causing nuisance or annoyance.
- make all grounds for repossession discretionary for the court.
- reduce the notice period for the new ground for possession 4A (properties rented to students for occupation by new students) from four months to two weeks.
- increase the proposed period of protection against eviction under possession ground 1 (occupation by landlord or family) and 1A (selling the property) from one to two years.
- limit in-tenancy rent increases to no greater than the Bank of England base rate.
- enable rent increases, when challenged at a tribunal, to be backdated to the date the landlord first proposed.
- require the government to consult on whether First-tier Tribunals were appropriately resourced to manage any additional workload arising from the bill.
- require the government to consult with the insurance sector to ensure that appropriate pet damage insurance products were available.
- prevent tenants from ending a tenancy in the first six months of a new tenancy.
- require the Lord Chancellor to publish an assessment of the operation of possession proceedings for rented properties before the bill's provisions could be commenced.
- limit the amount of rent which could be asked for or paid in advance of a tenancy to one month's rent.
- remove the ability of local authorities to designate areas as subject to the selective licensing of private landlords.

- protect bereaved guarantors by prohibiting the application of a guarantor agreement in the event of the death of a tenant.
- restrict the circumstances in which a landlord could request a guarantor.

The Housing Minister, Matthew Pennycook, undertook to give further consideration to some of the issues raised.

He also committed to write to committee members to provide clarification on a number of technical and specific points.

Amendments at report stage in the Commons

The amendments tabled to date for the bill's report stage can be viewed on the parliament.uk website: Renters' Rights Bill.

The government amendments include provisions to:

- restrict the payment of rent in advance
- limit a guarantor's liability for rent following the death of the tenant
- introduce a new ground for possession of alternative accommodation provided during redevelopment

1 What would the bill do?

The Renters' Rights Bill (008 of 2024–25) was introduced in the House of Commons on 11 September 2024.

The bill implements commitments in the 2024 Labour Party manifesto to reform the regulation of the private rented sector and is intended to "give greater rights and protections to people renting their homes, including by abolishing section 21 'no fault' evictions and reforming grounds for possession". Most of the bill's provisions apply only to England.

The bill builds on the Renters (Reform) Bill which was introduced in the House of Commons by the Conservative government on 17 May 2023. The bill did not complete all its parliamentary stages before the dissolution of Parliament in May 2024.

The Renters' Rights Bill would:

Reform tenancies

- abolish assured shorthold tenancies and, with them section 21 'no fault' evictions.[1] Instead, private rented sector tenancies would be periodic assured tenancies with no end date, intended to provide more security for tenants. Tenants would need to provide two months' notice to end the tenancy.

- reform and expand the grounds for possession to enable landlords to reclaim their properties when necessary, while ensuring appropriate safeguards for tenants are in place. In order to use any of the grounds, landlords would have to give their tenants the required notice period and be prepared to evidence the ground in court.

Strengthen tenants' rights

- limit rent increases to no more than once per year, requiring landlords to serve a statutory (section 13) rent increase notice and give at least two months' notice. Tenants would be able to challenge above-market rent increases through the First-tier Tribunal (Property Chamber).

[1] Assured shorthold tenancies were introduced by the Housing Act 1988 and became the default tenancy in the private rented sector in England from 28 February 1997. They offer no long-term security of tenure. Section 21 of the 1988 act enables private landlords to repossess their properties without having to establish fault on the part of the tenant. It is referred to as the 'no-fault' ground for eviction.

- prohibit the practice of 'rental bidding'. Landlords and letting agents would be required to publish an asking rent for their property. They would then be prohibited from inviting, encouraging or accepting offers of rent above the asking price.

- give tenants the right to request a pet, which landlords would have to consider and could not unreasonably refuse. Landlords would be able to require insurance to cover potential damage from pets.

- make it illegal for landlords to discriminate against tenants in receipt of benefits or with children when letting their property.

Create a private rented sector database

- create a new private rented sector database to bring together important information for landlords, tenants and local authorities. This would enable: 1) tenants to access important information to inform their choices when entering new tenancies and throughout their tenancy; 2) landlords to understand their legal obligations and demonstrate compliance; and 3) councils to target enforcement activity where it was most needed.

Create a legal standard for property conditions

- introduce a decent homes standard to the private rented sector and provide local authorities with the power to enforce it. The bill would also apply Awaab's Law to the sector, which would set timescales within which landlords must make homes safe when they contain serious hazards, and empower tenants to challenge unsafe conditions. The details will be set out in secondary legislation if the bill is passed.

Expand enforcement powers

- expand rent repayment orders, including by: 1) extending them to new offences; 2) doubling the maximum penalty; and 3) ensuring repeat offenders have to pay the maximum penalty. Rent repayment orders allow a tenant or local authority to apply to the First-tier Tribunal (Property Chamber) for an order that a landlord or their agent has committed an offence and should repay rent of up to a maximum of 12 months.

- strengthen local authorities' enforcement powers, expand financial penalties and introduce a new requirement for authorities to report on enforcement activity. The bill would also give the Secretary of State the power to appoint a lead enforcement authority, whose role would include providing guidance and information to local authorities to ensure consistent enforcement.

Further reading

The Ministry of Housing, Communities and Local Government (MHCLG) has published a guide to the Renters' Rights Bill.

The Library briefing, Renters' Rights Bill 2024-25, provides an overview, policy background and comment on the bill, as it was originally introduced.

The Renter's Right Bill (127 of 2024–25), as amended in committee, together with its explanatory notes, impact assessment and transcripts of the parliamentary stages are available on the parliament.uk website: Renters' Rights Bill publications.

2 Second reading

The Renters' Rights Bill (008 of 2024-25) had its second reading on 9 October 2024.

2.1 Opening the debate

The debate was opened by the Secretary of State for Housing, Communities and Local Government, Angela Rayner. She said the private rented sector was in serious need of reform:

> I want to be clear from the outset that this Government recognise the important role of landlords, most of whom provide good-quality homes for their tenants. But this is a sector in serious need of reform. Millions of people live in fear of section 21 no-fault evictions that could uproot them from their homes and communities, and they are forced to live in homes that are riddled with damp and mould, too scared to complain in case they end up being evicted and homelessness, and knowing that another potential tenant will be desperate enough to move in.[2]

She criticised the previous Conservative government for failing to take action, despite a 2019 Conservative Party manifesto commitment to rental reform.

The Secretary of State said that the bill was not just a reform bill, but that it was "a Renters' Rights Bill, a plan to ensure that all private tenants can aspire to a decent, affordable and safe home."[3] She went on to outline the bill's key provisions.

The Shadow Secretary of State for Housing, Communities and Local Government, Kemi Badenoch, had tabled a reasoned amendment declining to give a second reading to the bill on the grounds that the bill would:

> ... reduce the supply of housing in the private rented sector, forcing up rents and reducing choice for tenants, especially young people, because it proposes to remove section 21 of the Housing Act 1988 without ensuring that courts and tribunals can handle claims from renters and owners promptly and fairly, because it is not accompanied by a proper assessment of the cumulative impact of changes relating to energy efficiency regulation, advertising and rent arrears on costs and entry for new tenants and because the regulatory

[2] HC Deb 9 October 2024 c332
[3] HC Deb 9 October 2024 c333

> uncertainty will discourage institutional investment in the Build to Rent sector and undermine housebuilding.[4]

She reiterated these concerns in the debate and was highly critical of the bill, asserting that it "fails to fix the major issues and adds yet more rules and regulations to keep the bureaucrats busy, rather than finding solutions to help those tenants who desperately need them."[5] She referred to the situation in Scotland, where she said there was evidence that similar measures had failed to protect tenants against excessive rents and had made it more difficult for tenants to find a home.[6]

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, welcomed the bill. He said it would "give tenants the security that all other residents already have and that tenants surely deserve, and put right the scandalous delay in bringing an end to no-fault evictions."[7] However, he also said it was important to ensure landlords were incentivised to stay in the rental market. To that end, he urged the government to retain the option for landlords and tenants to agree fixed-term tenancies of three years, which he said would provide greater security for investors.[8]

2.2 Comments and concerns during the debate

Aspects of the bill that were welcomed

Many of the bill's provisions were welcomed by MPs, in particular those to:

- abolish section 21 'no fault' evictions
- apply the Decent Homes Standard and Awaab's law to the private rented sector
- introduce a new private rented sector ombudsman
- establish a new private rented sector database
- limit rent increases and prohibit rental bidding
- give tenants the right to request a pet
- prohibit discrimination against people in receipt of benefits or with children when letting property
- strengthen local authorities' enforcement powers

[4] House of Commons Votes and Proceedings, 9 October 2024, p1
[5] HC Deb 9 October 2024 c344
[6] HC Deb 9 October 2024 c340
[7] HC Deb 9 October 2024 c347
[8] HC Deb 9 October 2024 c348

Many MPs gave examples of the challenges faced by tenants renting privately in their constituencies.

Aspects of the bill that caused concern

Some concerns were also raised about the bill, including the following:

- Court capacity. There was a concern that the courts were already dealing with backlogs and did not have the capacity to cope with a potential increase in cases. The point was made that both landlords and tenants needed to have confidence in the courts for the tenancy reforms to succeed.
- Student accommodation. Some MPs were concerned that the bill could have a negative effect on the supply of student accommodation, in particular because the grounds for possession for landlords of student accommodation would only apply to houses in multiple occupation (HMOs).
- Local authority enforcement. MPs from all parties emphasised that local authorities faced financial challenges and would need to be properly resourced to carry out their new enforcement responsibilities effectively.

Calls for reforms to go further

Several MPs called on the government to go further with their reforms, including by:

- introducing rent controls, to make rents more affordable, by restricting rent increases to the lowest of either average wage growth or inflation
- preventing landlords from asking for several months' rent in advance
- preventing landlords from requiring rent guarantors
- prohibiting the application of a guarantor agreement in the event of the death of a tenant
- extending the protected period against eviction where the landlord wanted to occupy or sell the property from one to two years
- setting clear evidence thresholds for using eviction grounds when the tenant is not at fault (for example, when the landlord wants to sell the property)
- compensating tenants when they have to move home because the landlord has evicted them through no fault of their own
- improving energy efficiency in the private rented sector

The second reading debate was wide-ranging, touching on the shortage of social and affordable housing, homelessness, temporary accommodation, the effects of short-term holiday lettings, support for care leavers, Ministry of Defence and asylum seeker accommodation, and other matters.

2.3 Closing the debate

Closing the debate for the Official Opposition, the Shadow Housing Minister, David Simmonds, said it was important to recognise that the vast majority of landlords provided "a good, important and high-quality service" and the bill's measures should be proportionate.[9] He said the bill was an opportunity to get things right for renters: to make sure the sector continued to be "an important, supportive and appropriate source of homes for people."[10] He confirmed the Conservative Party would work constructively with the government to address the bill's "shortfalls and deficits".[11]

Closing the debate, the Housing Minister, Matthew Pennycook, said he was encouraged by the broad support for the main principles of the bill. Responding to the reasoned amendment tabled by the Official Opposition, he pointed out that the Shadow Secretary of State, Kemi Badenoch, had supported the Conservative government's Renters (Reform) Bill at every stage of its passage through Parliament. He also noted that the Conservative Party manifesto 2024 included a commitment to reintroduce a bill along the lines of their previous renters' reform legislation.[12]

The Housing Minister said the government strongly refuted the contentions in the reasoned amendment which were "weak and disingenuous". He urged MPs to vote it down.[13]

The minister addressed some of the key issues raised in the debate. He confirmed:

1) The government firmly believed there was no place for fixed terms in the new assured tenancy system. Fixed terms meant that renters were obliged to pay rent regardless of whether a property was up to standard, and they reduced renters' flexibility to move when they needed to. Tenants generally did not move house unless it was absolutely necessary, and they would be required to provide two months' notice, giving landlords sufficient time to find new tenants.[14]

2) The Ministry of Housing, Communities and Local Government (MHCLG) was working closely with officials in the Ministry of Justice to ensure

[9] HC Deb 9 October 2024 c406
[10] HC Deb 9 October 2024 c409
[11] HC Deb 9 October 2024 c403
[12] HC Deb 9 October 2024 c410
[13] HC Deb 9 October 2024 c410
[14] HC Deb 9 October 2024 c411

the courts and tribunals system was ready for the new tenancy regime, in addition to exploring options for improved alternative dispute resolution. He also reminded MPs that most tenancies ended without court action being required.[15]

3) The government remained opposed to the introduction of rent controls, which the minister said could incentivise landlords to increase rents to the maximum cap and result in landlords leaving the market, thereby impacting supply. However, he said the bill would empower tenants to challenge unreasonable rent increases.[16]

4) Local authority enforcement costs would be offset to an extent by the ringfenced civil penalties that authorities could levy when landlords did not comply with the new rules. However, he confirmed the government would ensure that additional new burdens on local authorities would be fully funded.[17]

The Housing Minister indicated he would continue to consider several issues as the bill progressed, in particular: landlord requirements for rent in advance; and the bill's effect on the student rental market.

The Housing Minister commended the bill to the House:

> Today, we have the opportunity to progress legislation that will overhaul the private rented sector and level decisively the playing field between landlord and tenant. Our Bill will empower renters by providing them with greater security, rights and protections so that they can stay in their homes for longer, build lives in their communities and avoid the risk of homelessness. Everyone deserves a decent, safe, secure and affordable home in which to live. With a view to taking an important step towards making that a reality, I commend this Bill to the House.[18]

The Conservative Party's reasoned amendment was put to a vote and rejected (ayes: 104; noes: 424).[19]

The bill was committed to a public bill committee.

[15] HC Deb 9 October 2024 c411
[16] HC Deb 9 October 2024 c412-413
[17] HC Deb 9 October 2024 c414
[18] HC Deb 9 October 2024 c414
[19] HC Deb 9 October 2024 c416-418 Division 18

3 Public bill committee: Overview

The Renters' Rights Bill (8 of 2024–25) was considered by a public bill committee over eight sittings on 22 October, 29 October, 31 October and 5 November 2024. The appendix to this briefing lists the committee members.

The committee took oral evidence from expert witnesses during the first two sittings. It also received written evidence. The committee examined the bill line by line over the subsequent six sittings.

The government tabled 40 amendments to the bill, all of which were agreed. The majority of the amendments were minor, technical or consequential. The more substantive changes to the bill included to:

- give the court the power to order a landlord to pay compensation to a tenant where possession was obtained under new ground 6A. This ground would enable landlords to regain possession of their property if they were subject to enforcement action and needed to regain possession to become compliant.
- enable regulations made under clause 62 to require landlords to provide relevant property information to the administrator of a landlord redress scheme. The information would have to be provided on application to become a member of the scheme and be kept up to date.

Opposition MPs tabled 55 amendments to the bill (of which 14 were new clauses), none of which were agreed. These included amendments to:

- exempt all full-time students from the periodic assured tenancy regime.
- allow fixed-term tenancies to continue where a landlord and tenant mutually agreed to them.
- reduce the notice period for the ground for possession 1A (selling the property) from four to two months.
- lower the threshold for use of the discretionary anti-social behaviour ground 14 from "likely" to "capable" of causing nuisance or annoyance.
- make all grounds for repossession discretionary for the court.
- reduce the notice period for the new ground for possession 4A (properties rented to students for occupation by new students) from four months to two weeks.

- increase the proposed period of protection against eviction under possession ground 1 (occupation by landlord or family) and 1A (selling the property) from one to two years.
- limit in-tenancy rent increases to no greater than the Bank of England base rate.
- enable rent increases, when challenged at a tribunal, to be backdated to the date the landlord first proposed.
- require the government to consult on whether First-tier Tribunals were appropriately resourced to manage any additional workload arising from the bill.
- require the government to consult with the insurance sector to ensure that appropriate pet damage insurance products were available.
- prevent tenants from ending a tenancy in the first six months of a new tenancy.
- require the Lord Chancellor to publish an assessment of the operation of possession proceedings for rented properties, before the bill's provisions could be commenced.
- limit the amount of rent which could be asked for or paid in advance of a tenancy to one month's rent.
- remove the ability of local authorities to designate areas as subject to the selective licensing of private landlords.
- protect bereaved guarantors by prohibiting the application of a guarantor agreement in the event of the death of a tenant.
- restrict the circumstances in which a landlord could request a guarantor.

The Housing Minister, Matthew Pennycook, undertook to give further consideration to some of the issues raised.

The minister also committed to write to committee members to provide clarification on a number of technical and specific points.

The following sections provide commentary on key issues raised during debate and highlight the changes made. The clause numbers in this briefing refer to Bill 8 of 2024–25, as introduced.

A record of what happened to each clause, amendment, and new clause considered at committee stage is set out in a document published on the bill's parliament.uk webpage (PDF). Transcripts of the committee stage debates are also available.

4 Part 1: Tenancy reform

4.1 Ending assured shorthold tenancies

Clauses 1 and 2 would abolish assured shorthold tenancies, and with them section 21 'no fault' evictions, and provide that all tenancies must be periodic assured tenancies without fixed terms.

The Shadow Housing Minister, David Simmonds, tabled two amendments to clause 1:

- amendment 48, which would exempt all full-time students from the periodic assured tenancy regime.
- amendment 54, which would allow fixed-term tenancies to continue where a landlord and tenant mutually agreed to them, on the basis that possession grounds 1 (occupation by landlord or family), 1A (selling the property) and 6 (redevelopment), and rent increases were suspended for the duration.

He explained amendment 48 was intended to address concerns raised in evidence to the committee that the bill's provisions could negatively impact the student rental market. In particular, there was a concern that the supply of student accommodation could diminish as it might become more profitable for a landlord to make a property available to the local authority for temporary accommodation, or to move into short-term lettings. The market for student accommodation was vital for universities and local economies and the Official Opposition wanted to make sure it was preserved.[20]

The Shadow Housing Minister also explained that Conservative MPs were strongly committed to the concept of freedom of contract. It was possible to identify many situations where people would want to secure accommodation for a specific period. For example, because they had a fixed-term employment contract or were moving to the UK to study at a university for a fixed period. He asserted that in such cases it was in the interests of both landlords and tenants that freedom of contract continued to be available.

The Housing Minister, Matthew Pennycook, rejected the amendments and emphasised that, as a point of principle, the government did not support fixed-term tenancies for any tenants in the new regime:

[20] PBC 29 October 2024 c100

> Fixed terms mean that tenants are locked into tenancy agreements and do not have the freedom to move should their personal circumstances require that—for example, if they want to take up a job in another part of the country or if a relationship breaks down. Fixed terms also mean that tenants must pay rent regardless of whether the property is fit to live in, reducing the incentive for unscrupulous landlords to complete repairs. As a point of principle, the Government will not deny any type of tenant, including full-time students, the rights and protections afforded to them under the new tenancy system the Bill introduces.[21]

The minister pointed out that where a landlord and a tenant had a mutual wish to sustain a tenancy over a defined period without a rent increase (the conditions that underpinned the rationale for amendment 54), then fixed-term tenancies would provide no clear advantages beyond those that both parties would enjoy under periodic tenancies, as introduced by the bill. He also considered that amendment 54 would leave the new tenancy system open to abuse, by overlooking the power imbalance between landlords and tenants, whereby tenants could feel forced to agree to a fixed-term tenancy.

The minister explained the rationale for clauses 1 and 2 and reiterated the government's commitment to "transform how the sector is regulated and level the playing field between landlord and tenant." He commended the clauses to the committee.[22]

Amendment 48 was withdrawn following debate. Amendment 54 was not called.

Clauses 1 and 2 were agreed and ordered to stand part of the bill.

4.2 Grounds for possession

Clause 4 and schedule 1 of the bill would amend the grounds for possession that landlords can use to evict assured tenants, and the notice periods required for each ground for possession.[23] The proposed changes include new and expanded grounds for possession. In some cases, protections for tenants would also be strengthened, for example by increasing notice periods.

The initial stage of the possession process involves a landlord serving notice on the tenant. If the tenant has not vacated the property by the end of the notice period, the landlord can start court proceedings to regain possession. Where court action is required, landlords must provide evidence to the judge that the selected ground is met.

Grounds can be either mandatory or discretionary. For mandatory grounds, judges must award possession when a landlord can prove that the ground is

21 PBC 29 October 2024 c101

22 PBC 29 October 2024 c104

23 The grounds for possession are contained in schedule 2 to the Housing Act 1988.

met. Discretionary grounds allow a judge to consider whether it is reasonable to award possession, even where the ground is met.

Table 1 of the government's guide to the Renters' Rights Bill sets out the reformed grounds for possession, the relevant notice periods and whether grounds would be mandatory or discretionary.[24]

Expert witnesses raised concerns about some of the new and revised grounds for possession during the committee's oral evidence sessions. There was a lengthy and detailed debate on amendments to the grounds for possession during the committee's line-by-line scrutiny of the bill. The government amendments were agreed. The amendments tabled by the opposition parties were withdrawn following debate or not called.

Clause 4, as amended, was ordered to stand part of the bill. Schedule 1, as amended, was agreed.

The following sections provide a summary of the debate on amendments to the grounds for possession.

Government amendments

The Housing Minister, Matthew Pennycook, moved amendment 1, which would give the court power to order a landlord to pay compensation to a tenant where possession was obtained under ground 6A (compliance with enforcement action). Compensation could be paid in respect of any damage or loss sustained by the tenant as a result of the possession order, such as moving expenses. The court would have discretion to consider what was appropriate on a case-by-case basis.

The minister explained the government's rationale for the amendment:

> Ground 6A allows landlords to evict their tenants when eviction is necessary to comply with enforcement action - for example, if a property is overcrowded or the landlord has received a banning order. While we understand that this ground is needed to prevent landlords being left in legal limbo indefinitely, we want to ensure that tenants are fairly compensated for having to vacate their home. As we debated at length on the previous Government's legislation, this possession ground potentially sets up a scenario where the tenant is penalised for a landlord's poor practice and, in some circumstances, criminal behaviour. We think it is important that they are compensated in some form.[25]

Amendment 1 was agreed.

The Housing Minister also moved technical amendments 2 to 9, which were agreed.

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24 MHCLG, Guide to the Renters' Rights Bill, 26 September 2024

25 PBC 29 October 2024 c115

Conservative amendments

Reducing the notice period for ground 1A

Amendment 56 and amendment 57 would have reduced the notice period for the ground for possession 1A (selling the property) from four to two months. The Shadow Housing Minister argued that lengthy notice periods could have the unintended consequence of reducing the supply of rented housing.

The Housing Minister countered that the government believed the notice period for tenants being evicted through no fault of their own should be four months, to give tenants adequate time to find new accommodation. He said that selling a property was generally a long-term decision that involved significant planning on the part of landlords. Given the time taken to secure a sale, landlords were unlikely to need to evict tenants with only two months' notice. He added that landlords also had the option of selling with tenants in situ.[26]

Amendment 56 was withdrawn following debate. Amendment 57 was not called.

Removing the protection period against eviction under grounds 1 and 1A

The bill would protect tenants from being evicted under possession ground 1 (occupation by landlord or family) and 1A (selling the property) for the first year of a new tenancy. Amendment 58 would have removed the protected period for ground 1A entirely.

The Housing Minister said that the amendment would give tenants less security of tenure than under the Conservative government's Renters (Reform) Bill and the current tenancy regime. The government considered the one-year protection period was appropriate.

Amendment 58 was not called.

New ground for possession to undertake works

Amendment 60 would have introduced a new mandatory ground for possession to allow landlords to evict a tenant when they needed to undertake works to meet the decent homes standard and those works could not be completed with the tenant in situ. The Shadow Housing Minister explained that the amendment would enable landlords to carry out works when the tenant would not co-operate.

In response, the Housing Minister said the government did not believe the ground was needed. He said the vast majority of works to meet decency requirements could most likely be completed with the tenant in situ. Landlords could also undertake more substantial works between tenancies. He added that the bill's revised ground 6 would permit a landlord to evict a

[26] PBC 29 October 2024 c111

tenant when they wanted to undertake substantial redevelopment work that could not be undertaken with the tenant in situ.[27]

The Shadow Housing Minister questioned whether works required to remedy damp, for example, would meet the definition of 'substantial redevelopment'. The Housing Minister agreed to clarify the definition of substantial development in writing.[28]

Amendment 60 was withdrawn following debate.

Rent arrears threshold for mandatory eviction

The bill would increase the notice period for the rent arrears grounds (possession ground 8 and ground 10) from two to four weeks. It would also increase the threshold for ground 8 so that eviction would be mandatory in cases where a tenant had at least three months' rent arrears (instead of the current two months' arrears), both at the time the notice was served and at the time of the possession hearing.

Amendment 62 and amendment 63 would have removed the requirement for a tenant to meet the rent arrears threshold for mandatory eviction at the date of the court hearing. Instead, they would have allowed a tenant to be evicted only if they met the threshold at the date of the eviction notice and had any arrears at all remaining at the date of their hearing.

The Housing Minister said the amendments were unfair as they would mandate eviction of a tenant who had done the right thing and tried to pay off their rent arrears. They could also discourage tenants from trying to pay off their arrears. He understood the amendment was most likely trying to address "the perceived problem of tenants gaming the system by paying off a nominal amount of arrears, placing them just below the threshold at the date of hearing, and thus frustrating a landlord's attempt to evict the tenants." However, there was little evidence of tenants trying to extensively game the system. The minister also noted that discretionary possession ground 10 would also be available to landlords when rent arrears did not meet the mandatory threshold.[29]

Amendment 62 was withdrawn following debate. Amendment 63 was not called.

New possession ground for the purposes of providing care

Amendment 59 would have introduced a new ground for possession to allow landlords to evict tenants when they wanted to use the property for the purposes of providing care to:

- a person under the age of 18

27 PBC 29 October 2024 c122
28 PBC 29 October 2024 c123
29 PBC 29 October 2024 c125

- a person who had a disability under section 6 of the Equality Act 2010
- a person who required personal care on the grounds of age, illness or injury

The Housing Minister said, while he appreciated the sentiment behind the amendment, he did not consider it necessary. Ground 1, which was a mandatory possession ground, would allow a landlord to move in close family members. That included children, grandchildren, parents, grandparents and siblings. It could therefore be used if the landlord wished to obtain possession to provide care for close family members.[30]

Amendment 59 was withdrawn following debate.

Threshold for anti-social behaviour possession ground

The discretionary possession ground 14 (anti-social behaviour) applies where the tenant or anyone living in or visiting the property has been guilty of behaviour "causing or likely to cause a nuisance or annoyance" to the landlord, a person employed in connection with housing management functions, or anyone living in, visiting or in the locality of the property.[31]

Amendment 61 would have lowered the threshold for use of the discretionary anti-social behaviour ground from "likely" to "capable" of causing nuisance or annoyance. Moving the amendment, the Shadow Housing Minister said the Official Opposition wanted to ensure landlords were able to take effective action to tackle anti-social behaviour.

The Housing Minister reminded the committee that such a provision was proposed in the Conservative government's Renters (Reform) Bill, as introduced. At that time, the Labour Party had strongly opposed the change. The Housing Minister said the government opposed lowering the threshold because it had the potential to significantly reduce security of tenure and would put vulnerable tenants at risk of eviction, even when their behaviour was not causing any problems:

> A huge range of behaviours are "capable" of causing a nuisance or annoyance. I was tempted to say that some of the behaviour of my children, on occasion, is more than capable of causing nuisance or annoyance. We can all agree that such a subjective term potentially includes a huge range of behaviours, and it would not be fair for someone to lose their home on the basis of some of them. For example, a baby crying frequently is capable of causing another tenant annoyance. In those cases, and there are many others that I could cite, it would be fundamentally wrong to put a family at risk of eviction because of that...[32]

He also pointed out that the bill included other measures to enable landlords to evict tenants who engaged in genuine antisocial behaviour.

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30 PBC 29 October 2024 c126

31 Schedule 2 to the Housing Act 1988

32 PBC 29 October 2024 c127

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, supported the government's position, commenting that "The very idea that anything capable of causing annoyance should be regarded as formally antisocial behaviour in law is an extreme concept."[33]

Amendment 61 was withdrawn following debate.

Liberal Democrat amendments

Discretionary grounds for possession

Amendments 73, 74 and 77 would have made all grounds for repossession discretionary for the court. Introducing the amendments, the Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, noted that during the committee's oral evidence sessions, some expert witnesses had raised concerns that the discretionary grounds for eviction were too limited, and they wanted to see further discretion given to the courts.[34] He agreed that there might be specific circumstances where it would be reasonable to allow a court to exercise discretion, for example, where a tenant was terminally ill.

The Housing Minister said the amendments were "a step too far", as making all grounds discretionary would mean that landlords would have no certainty that they would be awarded possession even if the grounds were met. He reminded the committee that there were still many discretionary grounds in the bill, and that judges would have discretion in less clear cases or where possession might not always be reasonable, despite the ground having been met. He said the mandatory grounds for possession in the bill were very limited and specific. The government's view was that the bill provided sufficient protections against unfair evictions.[35]

The Official Opposition supported the government's position on these amendments.[36]

Amendment 73 was withdrawn following debate. Amendments 74 and 77 were not called.

Evidence for eviction for grounds 1 and 1A

Amendment 68 and amendment 69 specified the evidence landlords would have needed to provide to the court when applying for possession on ground 1 (occupation by landlord or family) and ground 1A (selling the property). The amendments were intended to ensure the evidential requirements were clear.

The Housing Minister said he had reflected on this matter and did not consider that it was the right approach. Firstly, the bill already included

33 PBC 29 October 2024 c128
34 See PBC 22 October 2024 c40
35 PBC 29 October 2024 c106-107
36 PBC 29 October 2024 c108

measures to deter landlords from abusing grounds 1 and 1A. Secondly, judges were best placed to consider and determine the evidence before them on a case-by-case basis.[37]

Amendment 68 was withdrawn following debate. Amendment 69 was not called.

Reducing the notice period for ground 4A

Amendment 70 and amendment 71 would have reduced the notice period for the new ground for possession 4A (properties rented to students for occupation by new students) from four months to two weeks. Gideon Amos (Lib Dem) explained that the amendments would ensure the notice period for students in houses in multiple occupation (HMOs) was aligned with that for students in purpose-built student accommodation.

The Housing Minister responded that students were just as deserving of adequate notice as other tenants. He explained that possession ground 4A was intended to strike a balance between giving student tenants the right level of security of tenure while maintaining the annual cyclical nature of student accommodation. He said that landlords who owned student HMOs planned their business models around the academic year, and he believed they would factor the four-month notice into their planning. There was no circumstance where a competent landlord of student properties would suddenly need to evict tenants in line with the academic year with only two weeks' notice. The minister also said that landlords currently have to give two months' notice, so the amendments would be a retrograde step.[38]

Gideon Amos emphasised that the Liberal Democrats were concerned there would be a reduction in the supply of student accommodation because of the different terms on which HMO landlords would be able to let their properties to students. He urged the government to at least consider reducing the notice period from four to two months. The Housing Minister undertook to consider the matter further.[39]

Amendments 70 and 71 were not called.

Green amendments

Amendment 42 and amendment 43 would have increased the proposed period of protection against eviction under possession ground 1 (occupation by landlord or family) and 1A (selling the property) from one year to two years. The amendments were intended to give tenants greater security of tenure.

Carla Denyer (Green) said many tenants wanted long-term security in their homes, and unexpected and frequent home moves were stressful and costly

37 PBC 29 October 2024 c109-110
38 PBC 29 October 2024 c112
39 PBC 29 October 2024 c113

for tenants. She also noted that the two-year protected period was first mooted in the Conservative government's 2019 consultation, A new deal for renting.[40] The Labour Party had tabled the same amendment at committee stage of the Renters (Reform) Bill.[41]

The Housing Minister replied that he had reflected carefully on this matter when developing the bill. However, given other measures in the bill to strengthen tenants' rights, he considered the one-year protection period struck the right balance between tenant security and ensuring that landlords could respond to genuine changes in their circumstances. A two-year protection period could harm confidence in the sector and risk decreasing supply.[42]

Amendment 42 was withdrawn following debate. Amendment 43 was not called.

4.3 Rent increases

Clause 7 would remove the ability to include rent review clauses in tenancy agreements, so the only way most private landlords could increase rent would be by issuing a notice under section 13 of the Housing Act 1988. Clause 8 sets out the circumstances in which a tenant could challenge a rent level or increase through the First-tier Tribunal (Property Chamber).

Limiting rent increases

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, moved amendment 76, which sought to limit rent increases to no greater than the Bank of England base rate.

He explained that the Liberal Democrats were supportive of the bill's provisions by which tenants could challenge rent increases on the basis that they would exceed market rents. However, he considered there was a fundamental problem with the concept of market rents, which he understood were calculated by looking at advertisements for new rentals. He said this was not an accurate reflection of the actual rents people were paying. Landlords advertised the rent they would like to receive, and only a very small proportion of tenancies were subject to advertisement at any one time. Therefore, he contended that 'market rent' was an artificially high indicator for judging what an appropriate rent should be.[43] Amendment 76 was intended to protect tenants from substantial rent increases. Furthermore, he argued that the Bank of England base rate was a better measure of the costs

40 MHCLG, A new deal for renting: A consultation, 21 July 2019
41 Amendment 143 to the Renters (Reform) Bill 2023-24
42 PBC 29 October 2024 c118-119
43 PBC 29 October 2024 c134

that landlords actually faced than market rents, which were susceptible to the effects of price inflation.[44]

Responding to the amendments, the Housing Minister acknowledged that the committee had received evidence from witnesses and in writing on these points. However, the government's view was that linking rents to the Bank of England's base rate would constitute a form of rent control, which the government did not support.

The minister said it was important to consider how the regulation of rents fitted within the broader context of the rental system:

> The Government have taken that wider approach by placing protections against excessive rent increases within an overarching set of reforms to the private rented sector. The interaction between security of tenure and rent regulation is therefore critical; if rents are too strictly controlled but evictions are too easy, tenants are left at the mercy of landlords' whims, even if they pay the rent. If tenants have legal security from arbitrary eviction but there is no limit on rent increases, they can effectively be evicted by excessive economic rent hikes.[45]

The government considered the bill struck the right balance. It introduced a series of reforms to strengthen tenants' rights, including protections against unfair rent increases.

The minister was concerned that the use of a simple metric for rent increases risked unintended consequences. He referred to Scotland, where rent controls, in the form of rent freezes, followed by rent caps, had been introduced. The committee had heard evidence from Anna Evans, who led the research into the Scottish experience, that once rent freezes were introduced in Scotland, landlords were more inclined to increase rents when tenancies changed. When a new tenancy began, landlords were strongly incentivised to set rents at, or close to, the cap, which might be at a higher level than they would have chosen in the absence of such regulation. Furthermore, new-build investment in the Scottish private rented sector had stagnated over recent years.[46]

Finally, the minister explained that the First-tier Tribunal considered a range of factors when determining market rents, not just the rent at which new rentals were being advertised:

> The tribunal has a high degree of expertise. It is composed of judges and industry experts. To determine the market rate, the first-tier tribunal can consider a wide range of evidence, such as the price of similar properties being advertised online, as he said, and also evidence submitted from both parties justifying or arguing against the rent increase. This could include statistics on changes to local rents and examples of the rent achieved by other properties - for example, the rent that neighbours are paying. The tribunal will be able to use its local expertise, including visiting a property if necessary. We think that

44 PBC 29 October 2024 c141

45 PBC 29 October 2024 c136

46 PBC 29 October 2024 c136 and PBC 22 October 2024 c54-c58

> the tribunal has the necessary expertise and understanding to take into account different factors that are forming market rates and to determine whether the rent that is being proposed reflects that.[47]

In addition, the government was exploring whether the new private rented sector database could play a role in providing data on rents.

The Official Opposition agreed with the government's position on amendment 76.[48]

Amendment 76 was withdrawn following debate.

First-tier Tribunal process

The Shadow Housing Minister, David Simmonds, tabled amendments 50 to 53, which sought to alter the process for challenging initial rents and rent increases at the First-tier Tribunal. He explained that Conservative MPs were concerned it would always be in the tenants' interest to challenge a rent increase at a First-tier Tribunal because at worst (from the tenants' perspective) the tribunal would defer the point at which any higher rent took effect. They were concerned that this would result in more challenges, which in turn would affect the tribunal's capacity to manage its caseload. The amendments aimed to make it possible for rent increases, when challenged at a tribunal, to be backdated to the date the landlord first proposed.

In response, the Housing Minister said that in the first instance landlords and tenants would be encouraged to communicate about what adjustments to rent were sustainable for both parties. Tenants should only submit an application to the tribunal where they believed a rent increase was above the market rate. He said taking a challenge to the tribunal was not something a tenant would do on a whim, as it was an onerous process. Consequently, he did not agree that there would be a flood of tenants taking rent increase cases to tribunal. Furthermore, he said that incentives could work in both directions. The government's view was that rent increases should apply after the tribunal's decision, otherwise tenants could potentially face significant rent arrears immediately after the tribunal hearing. This could act as a disincentive for tenants to challenge rent increases.

Amendments 50 to 53 would have also enabled the tribunal to increase rents above the level that the landlord was asking for. The Housing Minister said this would create a perverse incentive, whereby tenants would be reluctant to challenge rents if they risked being in an even worse position following a tribunal ruling.

The government's view was that "The bill encourages tenants to engage with the tribunal when they have legitimate concerns. By reinforcing the rights of

47 PBC 29 October 2024 c142

48 PBC 29 October 2024 c143

tenants to do so, we are disincentivising the minority of landlords who may be tempted to hike rents beyond what is reasonable."[49]

Amendment 52 was withdrawn following debate. Amendments 50, 51 and 53 were not called.

First-tier Tribunal capacity and resources

As noted above, the Official Opposition expressed concern about the capacity and ability of First-tier Tribunals to deal effectively with the applications for rent increase determinations which they were likely to receive once the bill was enacted.

David Simmonds (Con) tabled amendment 46 and amendment 47, which would have prevented the bill from coming into force until the government had conducted and published a review on the effect of clause 8 on First-tier Tribunals. Amendment 47 would have also required the government to consult with the Competition and Markets Authority (CMA) on any measures necessary to ensure that tribunals were able to assess market rents without having a distorting effect on the market.

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, tabled amendment 75 which would have required the government to consult on whether First-tier Tribunals were appropriately resourced to manage any additional workload arising from the bill.

In response, the Housing Minister reiterated the government's view that engaging with the tribunal would require time and effort, and tenants would only do so when they had legitimate concerns, such as when a within-tenancy rent increase was unreasonable:

> It is important to note that tenants are often scared to engage with the judicial process, so we hope that the measures I have outlined will give them more confidence to do so. Although we anticipate that there will be an increase in cases, we do not accept the frankly scaremongering assertions we have heard about the tribunal being completely overwhelmed, or about tenants risking a deterioration in the critical relationship with their landlord by challenging every single rent increase that is given to them. Nor did we hear, when they gave evidence to the Committee last week, that the groups that support tenants would recommend such action.[50]

He stressed that the government wanted to implement the tenancy reforms as soon as possible and would not tie implementation to any arbitrary requirements.

The minister confirmed the government would continue to work with the Ministry of Justice, His Majesty's Courts and Tribunals Service and the

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49 PBC 29 October 2024 c147

50 PBC 29 October 2024 c149

judiciary to ensure that the tribunal had the capacity to deal with any increase in cases.

The minister also said the government had no plans to consult the CMA as it did not think it realistic that the tribunal could affect market prices. Nevertheless, the government would continue to monitor the impact of the reforms on the market in the normal way.[51]

Amendment 47 was withdrawn after debate. Amendments 46 and 75 were not called.

Clauses 7 and 8 were agreed and ordered to stand part of the bill.

4.4 Renting with pets

Clauses 10 and 11 would make it an implied term in most assured tenancies that landlords could not unreasonably refuse a tenant's request to keep a pet.

As a condition of giving consent, a landlord could inform the tenant in writing that they must: 1) have insurance covering the risk of pet damage; or 2) pay the landlord's reasonable costs of having pet damage insurance.

The Official Opposition tabled amendment 55 which would have required the government to consult with representatives of the insurance sector before the relevant sections came into effect, to ensure that appropriate pet damage insurance products were available.

The Housing Minister acknowledged that few insurance companies currently offered products designed to cover pet damage. There was no demand for insurance and therefore the market was limited. However, he believed the market would respond with a greater range of pet insurance policies once the bill was enacted. The Ministry of Housing, Communities and Local Government (MHCLG) had already held discussions with the insurance industry regarding pet damage insurance and such products were being developed.[52]

Rebecca Smith (Con) queried how the provisions would work in a house in multiple occupation (HMO) operated on a joint-licence basis, and asked who would be responsible for the insurance and dealing with any noise issues arising from pet ownership. The Housing Minister agreed to respond to her in writing on those points.[53]

Amendment 55 was not called.

51 PBC 29 October 2024 c150
52 PBC 29 October 2024 c155
53 PBC 29 October 2024 c156

Clauses 10 and 11 were agreed and ordered to stand part of the bill.

4.5 Financial penalties and offences

Clause 15 sets out the financial penalties that local authorities could apply where a landlord breached the requirements of clauses 12 and 13, including failure to provide a written statement of the terms of the tenancy and misusing the possession grounds.

Local housing authorities would be able to fine landlords up to a maximum of £7,000 for less serious and initial breaches of the new tenancy legislation. Multiple fines could be issued where a landlord had committed more than one breach. In the case of serious, continued and repeat offences, landlords would be liable for a fine of up to £40,000 or prosecution.

Clause 16 sets out the process that local housing authorities must follow when issuing financial penalties. Proceeds of the financial penalties should be used to fund future private rented sector enforcement activity.

The Shadow Housing Minister, David Simmonds, said it was critical that local authorities had sufficient resources to enforce the tenancy regime. He questioned whether:

- the proceeds of any fine resulting from criminal prosecution would go into the consolidated fund of central government expenditure, rather than accruing to the local authority. How would the government engage with local authorities to fully understand the cost of these new burdens and use the new burdens doctrine to ensure that they were appropriately resourced?

- there was a risk that third-party enforcement agencies, which are often employed by local authorities, might be incentivised to pursue the landlords who were easiest to deal with and most likely to yield financial restitution, rather than dealing with the more difficult and intractable cases. Had the government considered how it would ensure the regime was enforced equally?[54]

The Housing Minister noted that while financial penalties would provide local authorities with funding for enforcement, they alone would not be enough. He said that was why the government had committed to ensuring that additional burdens on local authorities resulting from the reforms were fully funded.[55]

He also said that local authority enforcement was not the only means the bill provided for tackling rogue landlords and breaches. It would also

54 PBC 29 October 2024 c160-162

55 PBC 29 October 2024 c161

significantly strengthen rent repayment orders, which provide an alternative, tenant-led enforcement mechanism.[56]

The minister agreed to consider the points raised by the Shadow Housing Minister and respond in writing.

Clauses 15 and 16 were agreed and ordered to stand part of the bill.

4.6 Notice to quit by tenants

Clause 19 provides that a tenant would have to provide two months' notice to end an assured tenancy, unless the landlord and tenant had agreed a shorter period in writing.

The Official Opposition tabled amendment 49 which would have prevented tenants from ending a tenancy in the first six months. This was intended to ensure that landlords had sufficient time to replace tenants, and would prevent tenants from using private rented sector properties as short-term or holiday lets. The Conservative government added this provision to the Renters (Reform) Bill at report stage in the Commons on 24 April 2024.[57]

Gideon Amos (Lib Dem) tabled amendment 66, which would have offered landlords and student tenants the option to enter into a ten-month fixed-term tenancy. He said this would benefit students who normally wanted to rent for the duration of the academic year and not for 12 months. He also tabled amendment 67, which would have required tenants who were the first residents in newly built properties to provide 24 months' notice when ending an assured tenancy.

Responding, the Housing Minister made it clear that the government would not accept amendments that aimed to increase the length of notice that tenants were required to provide. The government considered the two months' notice period an appropriate amount of time. It meant that tenants could end tenancies quickly if they had a change of circumstances, such as needing to change jobs or move to a new area. It would also prevent them from being trapped in substandard properties for long periods of time. The minister said that two months' notice would also give landlords sufficient time to re-let their properties, minimising the time and costs of void periods.

The government did not agree that tenants would routinely end tenancies just after moving in or use assured tenancies as an alternative to holiday lets. Tenants had to go through far too much administration and provide too expensive a deposit for this to be a viable concern.

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56 PBC 29 October 2024 c162

57 Contained in new clause 15, which was added to the bill following a division (HC Deb 24 April 2024 c1032)

With regards to amendment 67, the minister did not accept that it would be reasonable to treat some tenants differently and lock them into longer tenancies. He contended that since most new buildings should be good quality, tenants would likely only leave if they really needed to. Under the new tenancy regime, they could stay for 24 months, or longer, if they wanted to.[58]

Amendment 49 was withdrawn following debate. Amendments 66 and 67 were not called.

Clause 19 was agreed and added to the bill.

4.7 Assured agricultural occupancies

Clause 22 would ensure tenants with an assured agricultural occupancy continue to enjoy greater security of tenure than those with a standard assured tenancy. Clause 23 would ensure landlords could continue to 'opt-out' of providing assured agricultural occupancies and instead provide periodic assured tenancies to qualifying workers.

The Shadow Housing Minister requested clarification on how the bill would apply in the following specific situations:

- an employment contract has a side agreement of a licence to occupy, so the home is made available to the individual not as part of a tenancy agreement.
- a landlord asks a tenant to vacate a particular property because its location or its facilities are directly connected with a role that they formerly did, and offers them an equivalent property.[59]

The Housing Minister agreed to clarify these points in writing.[60]

Clauses 22 and 23 were agreed and added to the bill.

4.8 Consequential amendments

The Renters' Rights Bill would significantly reform housing legislation. Clause 28 introduces schedule 2, which sets out consequential amendments to several acts of Parliament.

58 PBC 29 October 2024 c166
59 PBC 29 October 2024 c168-169
60 PBC 29 October 2024 c169

The government tabled amendments 12 to 21 to schedule 2. These were minor and technical amendments to ensure the statute book would continue to operate effectively and consistently once the tenancy reforms were in force.

Clause 28 was agreed and ordered to stand part of the bill.

Schedule 2 as amended was agreed.

4.9 Tenancies that cannot be assured tenancies

Clause 30 would exclude leases of seven years or more from the assured tenancy system. This would allow for leases over seven years to have a fixed term. This was necessary for the functioning of the leasehold tenure. It would also remove the loophole whereby leaseholders could face repossession for rent arrears through the assured tenancy regime.

Expert witnesses had raised concerns in evidence to the committee that the clause could be undermined or abused.[61] The Housing Minister made it clear that the government would not tolerate attempts to get around the abolition of section 21 by abusing this clause. He confirmed that he was considering whether any action was needed to ensure the system could not be abused.[62]

The minister explained that clause 31 rectified an omission to ensure, where local authorities had an interim duty or discretion to provide temporary accommodation under the homelessness legislation, a tenancy granted pursuant to section 199A of the Housing Act 1996 could not become an assured tenancy.[63] This would allow the private landlord to regain possession of their property once the local authority's duty to provide it by way of interim accommodation ceased.

He agreed to provide further information in writing on: 1) how the bill's provisions would apply to those with no recourse to public funds; and 2) the situation where a local authority might purchase a large number of flats in a block to use as temporary accommodation.[64]

Clauses 30 and 31 were agreed and ordered to stand part of the bill.

4.10 Discrimination in the rental market

Clauses 32 to 41 would prohibit landlords in England from discriminating against tenants who receive welfare benefits or who have children. Local

61 PBC 22 October 2024 c42-43

62 PBC 29 October 2024 c180

63 The homelessness legislation is contained in Part 7 of the Housing Act 1996.

64 PBC 29 October 2024 c180-182

housing authorities would have the power to impose a financial penalty of up to £7,000 for a breach of the rental discrimination provisions.

Carla Denyer (Green) tabled amendment 78 and amendment 79, which would have ensured that prospective tenants who reported rental discrimination could receive a share of any financial penalty imposed on the landlord or letting agent by the local housing authority. The amendments were intended to incentivise prospective tenants to complain to the local housing authority where they considered they had been a victim of rental discrimination.

The Housing Minister said the government could not accept the amendments for the following reasons:

- the proposal to give prospective tenants a share of the civil financial penalty was wrong in principle. They were penalties imposed by a public body for breaking the law, not a mechanism for compensation.
- allowing a proportion of any such penalty to be allocated as compensation would undermine the principle that all civil penalty income must be ringfenced to fund enforcement activity in the private rented sector.
- the arrangements necessary to facilitate such compensation would add to the administrative burden on local authorities.
- financial incentives might encourage prospective tenants to complain when it was not warranted and press local authorities to propose civil penalties when the evidence was lacking.
- there might be practical difficulties in identifying who had been the subject of discrimination and should receive a share of the penalty, for example, in instances where more than one tenant was involved.
- the new private rented sector landlord ombudsman would be able to handle prospective tenants' complaints about discrimination and would have powers to put things right, including by ordering the landlord to pay compensation or correct the behaviour in question.[65]

He therefore asked the MP not to press her amendments.

The Shadow Housing Minister asked how the bill's provisions would apply in specific circumstances, including cases involving older people's accommodation, care leavers and people with no recourse to public funds. He also queried whether some referencing checks or insurance products would automatically rule out welfare benefit recipients as tenants who could not afford to pay. The Housing Minister agreed to respond to these points in writing.[66]

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65 PBC 31 October 2024 c191

66 PBC 31 October 2024 c193-194

Part 1, chapters 4 and 5 would provide for rental discrimination powers and prohibitions in Wales and Scotland to mirror those in England, with some adjustments to align with the existing Welsh and Scottish enforcement frameworks. The minister undertook to provide further clarification on how the enforcement of the bill's discrimination provisions would operate in Wales and Scotland.[67]

Amendments 78 and 79 were not called.

Clauses 32 to 54 were agreed and ordered to stand part of the bill.

4.11 Rental bidding

Clause 55 would prohibit landlords and letting agents from inviting, encouraging or accepting a tenant's offer to pay rent at above the advertised rate. Clause 56 details the penalties local authorities could apply if landlords breached clause 55.

The Shadow Housing Minister asked for clarification on how the bill's rental bidding provisions would apply in two situations:

1. where the property is the asset of an organisation whose directors have a fiduciary duty to maximise the return on it, as is common in the case of pension funds, investment trusts or other bodies that may invest in property.

2. where an intermediary sits between the tenant and the owner of the property. In pursuit of their fiduciary duty, the ultimate owners of an asset might seek bids from a prospective managing agent or other intermediary party. They might bid to secure the maximum possible rent on that group of properties, in turn letting them out individually to tenants at a higher level of rent.

The Shadow Housing Minister said it was important to ensure the legislation did not inadvertently lead to trustees and directors of pension funds that invest in property being in breach of their duties, or to the establishment of a get-out by means of a managing agent who sits between the property owner and the tenant.

The Housing Minister undertook to respond to these points in writing.[68]

Clauses 55 and 56 were agreed and ordered to stand part of the bill.

67 PBC 31 October 2024 c203-204

68 PBC 31 October 2024 c209

5 Part 2: Residential landlords

5.1 Definition of residential landlord

Clause 61 sets out the meanings of private "residential landlord", "relevant tenancy" and "dwelling" for the purpose of defining which tenancies fall within the scope of the landlord redress schemes and the private rented sector database.

The Housing Minister, Matthew Pennycook, explained the clause includes a power to amend these definitions, to give the flexibility to extend landlord redress and the database to further tenures or dwellings if that proved necessary in the future.

Clause 61 was agreed and ordered to stand part of the bill.

5.2 Landlord redress schemes

Chapter 2 of part 2 (clauses 62 to 72) of the Renters' Rights Bill would introduce a new ombudsman service for the private rented sector, which all private landlords would be required to join. The service would provide fair, impartial and binding resolution for tenants' complaints about their landlord. It would have powers to compel landlords to issue an apology, provide information, take remedial action, and/or pay compensation. The ombudsman service would also benefit landlords as it is expected to be a quicker, cheaper and less adversarial mechanism to resolve disputes than the court system.

The Housing Minister introduced amendment 23, which would enable regulations made under clause 62 (landlord redress schemes) to require landlords to provide relevant property information to the administrator of a landlord redress scheme. The information would have to be provided on application to become a member of the scheme and be kept up to date. He explained that was always the government's intention; the amendment was intended to clarify that in the legislation.[69]

The Shadow Housing Minister, David Simmonds, tabled amendment 65, which would have provided that landlords would not be required to be members of

[69] PBC 31 October 2024 c215

the new private rented sector ombudsman scheme if they had a managing agent who was a member of a government-approved redress scheme.[70]

Responding to the amendment, the Housing Minister said it was contrary to the government's intention, which was for tenants in the private rented sector to have access to landlord redress through a single ombudsman service.

He noted that in some cases tenants might need to seek redress from their landlord rather than a managing agent. For example, structural issues with a building that gave rise to damp and mould would typically be a landlord's responsibility, and access to agent redress would not necessarily provide a solution. Furthermore, he contended that excluding some private tenants from landlord redress would cause confusion and "give rise to new sources of complexity and unfairness across the sector and open loopholes for unscrupulous landlords and agents to exploit."[71]

The Shadow Housing Minister raised the issue of blocks of flats which were owned by an absentee landlord or someone who worked abroad, and where a managing agent was contracted to let and manage the building. He said that tenants should be able to seek redress through the agent in such situations, rather than insisting redress would always be a matter for the landlord. The Housing Minister agreed to write to the Shadow Housing Minister to clarify how redress would operate in practice in this type of scenario.

Amendment 23 was agreed and amendment 65 was withdrawn.

Clause 62, as amended, was ordered to stand part of the bill.

Clauses 63 to 72 and schedule 3 were ordered to stand part of the bill.

5.3 The private rented sector database

Chapter 3 of part 2 (clauses 73 to 94) of the Renters' Rights Bill would establish a private rented sector database. This was intended to:

- help landlords understand their legal obligations and demonstrate compliance
- provide information to tenants enabling them to make informed decisions when entering into a tenancy agreement and hold their landlord to account
- assist local authorities in targeting enforcement activity where it is most needed

[70] Private sector letting and managing agents are required to belong to a government-approved redress scheme: The Property Ombudsman or The Property Redress Scheme.

[71] PBC 31 October 2024 c218

All private landlords would be required to register themselves and their properties on the database.

The Housing Minister explained how the bill sets the framework for establishing a database and the functions required for its operation. He said the details would be set out in secondary legislation.

The Shadow Housing Minister, David Simmonds, indicated that the Official Opposition supported a private rented sector database. However, he questioned how the database would interact with schemes for the selective licensing of private landlords that were operational in some areas.[72]

The minister responded that selective licensing and the private rented sector database would have different purposes, although the government would ensure that they were aligned and worked together:

> The Government are clear that selective licensing and the private rented sector database have different purposes. The database is not designed to replace selective licensing. Unlike the database, selective licensing schemes aim to target specific local issues in specific local geographies by enabling more intensive practical enforcement strategies. We believe that selective licensing is a valuable tool when used appropriately and combined with other measures. It enables local authorities to drive better outcomes for local residents, tenants and responsible landlords. What is important, and what we are committed to doing, is ensuring that the use of selective licensing complements and is aligned with the new private rented sector database. There is some important work to do, which we are already engaged in, to refine the way the two systems will work together once they are both in force.[73]

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, said the Liberal Democrats wanted the database to include information about:

- the accessibility of the property for disabled people
- whether enforcement action had been taken against the landlord
- the energy performance certificate rating of the property
- the rent that was paid in the first tenancy[74]

The minister explained that the government proposed to prescribe the information that the database would contain through regulations, rather than through the bill, to ensure the database maintained the flexibility to respond to any evolutions in the sector and technology.

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72 Local authorities in England have powers to introduce selective licensing of privately rented homes in order to tackle problems, such as anti-social behaviour and poor housing conditions, in their areas. For further information on selective licensing see the Commons Library briefing CBP04634, Selective licensing of private landlords (England & Wales).

73 PBC 31 October 2024 cc224-225

74 PBC 31 October 2024 c225

He said that, as a minimum, the government wanted the database to include information about private landlords, the homes they rent out and how those homes were managed. He was also sympathetic to the potential for information about rents to be included. However, he reiterated that the detail would be contained in secondary legislation and there would be an opportunity for further debate and discussion when that came forward.[75]

The Shadow Housing Minister asked:

- what was the proposed geographical extent of the database?
- given that local authorities would have the ability to access the data for the performance of their housing functions, would 'housing functions' be defined so as not to inhibit the use of predictive analytics to identify households where there might be a risk that would trigger another local authority service, for example social services, to intervene?
- what would happen where there was an unauthorised development and planning enforcement taking place, but the landlord was required to register with the database?

Carla Denyer (Green) raised a similar question, asking what would happen if there was an unauthorised change of use of a property (for example, to a house in multiple occupation) and planning enforcement taking place, but the landlord was required to register with the database.

The Housing Minister undertook to write to committee members to provide clarification on these points.[76]

Clauses 73 to 94 of the bill were agreed and ordered to stand part of the bill.

75 PBC 31 October 2024 c226

76 PBC 31 October 2024 c225 and PBC 31 October 2024 c233 and PBC 31 October 2024 c236

6 Part 3: Decent Homes Standard

Clause 98 would amend the Housing Act 2004 to give the Secretary of State the power to specify decent homes standard (DHS) requirements for the private rented sector in regulations, and for these standards to be enforced by local housing authorities.

Subsection 98(5) provides that the DHS requirements may cover matters such as:

- the state of repair of the premises
- things to be provided for use by, or for the safety, security or comfort of, persons occupying the premises
- the means of keeping the premises at a suitable temperature

The provisions would apply to most of the private rented sector, including houses in multiple occupation (HMOs) and supported housing. The bill would give the Secretary of State the power to make regulations to add or remove the type of tenancies and licences to which the standards apply.

Schedule 4 would establish an enforcement framework for the DHS. It would give local housing authorities the power to take enforcement action where private rented sector properties failed to meet the DHS requirements, for example by way of an improvement notice or prohibition order. Local housing authorities would be able to issue fines of up to £7,000 where landlords had failed to take reasonably practicable steps to keep their properties free of serious hazards, and fines of up to £40,000 for non-compliance with enforcement action.

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, tabled amendment 72 which would have applied the DHS to accommodation for asylum seekers, and to accommodation provided by the Ministry of Defence (MOD) for service personnel. Introducing the amendment, he said it would be "perverse" to leave serving military personnel as one of the only groups not benefiting from decent living accommodation.[77]

The Housing Minister, Matthew Pennycook, agreed that service personnel and their families should have safe and decent accommodation. He explained that the MOD had been benchmarking service accommodation to the DHS since 2016. 96% of MOD accommodation met the DHS, and 84.4% met the higher MOD-developed decent homes-plus standard. MOD accommodation was distinct from the private rented sector and a different approach was

[77] PBC 5 November 2024 c240

needed to improve standards. The minister confirmed the MOD was reviewing its target standards for accommodation and intended to meet an equivalent standard to the DHS that would be introduced for the private sector through the bill.

The minister also agreed that asylum accommodation must be safe and decent. He explained it was already required to meet the DHS:

> … we believe new requirements to apply the decent homes standard to asylum accommodation are unnecessary, because it is already regulated to a high standard by the asylum accommodation and supports contracts enforced by the Home Office. The contracts require asylum dispersal accommodation to meet the decent homes standard already.
>
> Furthermore, they also include requirements for the accommodation provider to visit each property every month to check for issues and to rectify any issues within strict repair timelines. Home Office property inspectors also inspect the properties on a targeted and rolling basis…[78]

The Shadow Housing Minister, David Simmonds, asked how the DHS would interact with unregulated children's accommodation secured by local authorities under the Care Act 2014.

The Housing Minister committed to write to the committee to clarify the points raised in relation to the responsibilities of the Home Office and the Department for Education.[79] He also undertook to seek further information from the MOD about its review of standards, including timelines.[80]

Amendment 72 was withdrawn following debate.

The government tabled several minor and consequential amendments (amendments 24 to 40) to ensure that clause 98 and schedule 4 would work as intended.

Clause 98, as amended, was agreed and ordered to stand part of the bill.

Schedule 4, as amended, was agreed.

78 PBC 5 November 2024 c243
79 PBC 5 November 2024 c245
80 PBC 5 November 2024 c247

7 Part 4: Local authority enforcement

Part 4 of the bill would:

- strengthen local housing authorities' enforcement powers
- expand financial penalties
- introduce a new requirement for authorities to report on enforcement activity
- give the Secretary of State the power to appoint a lead enforcement authority, whose role would include providing guidance and information to local authorities to ensure consistent enforcement

Carla Denyer (Green) tabled amendment 41 which would have reduced the standard of proof (from criminal to civil) that needed to be met for rent repayment orders (RROs) to be awarded in relation to unlawful eviction and harassment.[81] She said it was notoriously difficult for tenants to prove a landlord's culpability to a criminal standard of proof. Furthermore, it was inappropriate "because an RRO is not a criminal prosecution. It does not follow criminal procedural rules, or result in a criminal sentence or a criminal record if the defendant is convicted."[82] She also asserted that the low number of RROs in relation to unlawful eviction and harassment offences was evidence that the system was not working.

The Housing Minister, Matthew Pennycook, said the government had considered this issue and was keeping it under close review. He was concerned that the amendment could inadvertently damage the RRO regime:

> To be candid with the hon. Lady and to explain my thought process, my concern about her amendment is primarily about the implications that it could have for the integrity of the rent repayment order regime as a whole. RROs are a mechanism designed to provide redress and act as a deterrent in relation specifically to criminal offences. As such, I fear that lowering the standard of proof for individual offences, as proposed in her amendment, runs the risk of weakening the link between the culpability of the landlord and the making of a rent repayment order. If the tribunal does not need to prove beyond reasonable doubt that the landlord committed an offence, we could see a weakening of that link.[83]

The minister said he was happy to continue a dialogue on the matter.

81 Offences under the Protection from Eviction Act 1977.

82 PBC 5 November 2024 c251

83 PBC 5 November 2024 c253

Amendment 41 was withdrawn following debate.

Clauses 99 to 133 were agreed and ordered to stand part of the bill. Schedule 5 was agreed.

8 Commencement

Clause 142 provides for how different provisions in the bill would be brought into force.

The government wants to see tenants benefit from the tenancy reforms as quickly as possible.[84] Therefore, the bill provides that there would be one commencement date which would apply to both existing tenancies and new assured tenancies (this applies to chapter 1 of part 1 of the bill, which covers assured tenancies).[85]

The Ministry of Housing, Communities and Local Government's guide to the Renters' Rights Bill explains the government's proposed approach to implementing the new tenancy regime:

> To end the scourge of section 21 evictions as quickly as possible, we will introduce the new tenancy for the private rented sector system in one stage. On this date the new tenancy system will apply to all private tenancies - existing tenancies will convert to the new system, and any new tenancies signed on or after this date will also be governed by the new rules. Existing fixed terms will be converted to periodic tenancies, and landlords will no longer be able to serve new section 21 or old-style section 8 notices to evict their tenants. This single date will prevent a confusing 2-tier system, and give all tenants security immediately.[86]

The Housing Minister outlined the bill's commencement provisions and assured the committee that the government would "work closely with all parts of the sector to ensure a smooth transition to the new system" and it was "committed to providing sufficient notice ahead of implementation."[87]

The Shadow Housing Minister, David Simmonds, tabled two amendments to clause 142. Amendment 45 would have required the publication of an economic impact assessment of the bill, including an assessment of the effect of abolishing fixed-term assured tenancies on the student housing market, before the bill's provisions could be commenced. Amendment 64 would have required publication of an economic impact assessment and an assessment by the Lord Chancellor of the operation of possession proceedings for rented properties, before the bill's provisions could be commenced.

Introducing the amendments, the Shadow Housing Minister explained that some expert witnesses had expressed concerns to the committee about the impact of the bill on the supply of rented accommodation, in particular the

84 PQ 5134 [on Private Rented Housing: Evictions], 18 September 2024

85 With the exception of social housing assured tenancies.

86 MHCLG, Guide to the Renters' Rights Bill, 11 September 2024, Implementation

87 PBC 5 November 2024 c263

supply of student accommodation. The amendments were intended to ensure that the government fully understood the implications for the supply of rented accommodation before commencing the bill.[88]

Responding to the amendments, the Housing Minister asserted that the government was committed to robustly monitoring and evaluating the private rented sector reform programme and the implications of the bill:

> Our approach builds on the Department's existing long-term housing sector monitoring work, and we will conduct our processes, impact and value-for-money evaluation in line with the Department's published evaluation strategy. We will publish the evaluation findings in a timely manner that is consistent with our policy for the publication of research. Further data on the operation of possession proceedings for rented properties, to which amendment 64 refers, is already published and will continue to be published quarterly by the Ministry of Justice.[89]

He said tenants had waited too long for tenancy reform and the government did not want to tie implementation to additional requirements, such as those contained in amendments 45 and 64.

Amendment 45 was withdrawn following debate and amendment 64 was not called.

Clause 142 was agreed and ordered to stand part of the bill.

88 PBC 5 November 2024 c262

89 PBC 5 November 2024 c264

9 New clauses

The opposition tabled 14 new clauses: seven were withdrawn after debate, five were not called and two were not moved.

This section of the briefing summarises the committee's deliberation of new clauses.

9.1 Impact of possession orders on credit ratings (NC1)

Stella Creasy (Lab) tabled new clause 1, which was supported by several Labour and Green Party MPs and an Independent MP. The new clause would have required the Financial Conduct Authority (FCA) to develop guidance for credit rating agencies to ensure that being subject to a possession order would not negatively affect an individual's credit rating.[90]

Moving the amendment, Carla Denyer (Green) explained that lenders like to see stability in personal details and therefore moving house can often negatively affect a credit rating. A poor credit rating can make it difficult to get a mortgage and can increase the cost of any borrowing. The probing amendment was intended to explore how tenants' credit ratings could be better protected if they were forced to move because the landlord sought possession of a property through no fault of the tenant.[91]

In response, the Housing Minister, Matthew Pennycook, said the bill was intended to increase tenant security and remove the threat of arbitrary evictions. Landlords would only be able to seek possession on defined grounds, for example if they wanted to sell the property. He noted that credit reference agencies did not receive information about possession orders from the courts, and as a result possession orders were not recorded on tenants' credit reports and did not negatively affect their credit ratings. However, he said that the effect of frequent house moves on credit ratings was a distinct but related issue. He wasn't convinced it would be feasible for the FCA to ensure that credit reference agencies treated moves resulting from the use of certain possession grounds differently from changes of address more

[90] A credit rating is an evaluation of the credit risk of a prospective debtor.

[91] PBC 5 November 2024 c267

generally. Nevertheless, he agreed to ask Treasury ministers to engage directly with the FCA on this matter.[92]

New clause 1 was withdrawn following debate.

9.2 Reports on the effects of the bill's measures (NC2 & NC3)

The Shadow Housing Minister, David Simmonds, tabled two new clauses:

- new clause 2, which would have required the government to publish an annual review of the effect of the act's provisions on the UK housing market
- new clause 3, which would have required the government to appoint an independent person to prepare a report on the effect of the reforms of the tenancy system and the grounds for possession

He explained the new clauses were intended to increase scrutiny of the effects of the bill's measures.

The Housing Minister assured the committee that the government was committed to robustly monitoring and evaluating the private rented sector reform programme introduced by the bill. However, he considered that setting an arbitrary deadline in law for that work was unnecessary, and said there was a risk it would detract from evaluation and prevent the government from conducting as robust an assessment as possible. He also confirmed that the government did not expect the bill to have a destabilising effect on the rental market, and said it would continue to work with landlords and their representative associations throughout implementation.[93]

New clause 2 was withdrawn following debate. New clause 3 was not called.

9.3 Assessment of operation of the possession process (NC4)

New clause 4 would have required the Lord Chancellor to prepare an assessment of the operation of the process by which the county court is able to make possession orders for rented properties and by which such orders are enforced. The new clause stipulated that the assessment would have been published at such time and in such a manner as the Lord Chancellor saw fit.

92 PBC 5 November 2024 c268-9
93 PBC 5 November 2024 c272

Moving the new clause, the Shadow Housing Minister explained that in evidence to the committee, landlords had expressed concern that the backlog of cases in the courts might make it difficult to secure possession of their properties when necessary. It was important that landlords had confidence in the court system to encourage them to enter the rental market and remain in it. The new clause was intended to ensure that an assessment of the possession process was carried out.[94]

In response, the Housing Minister reminded the committee that the Conservative government had introduced a similar amendment to the Renters (Reform) Bill at report stage. This would have required the Lord Chancellor to publish an assessment of the operation of possession proceedings for rented properties before tenancy reforms could be implemented.[95] He said the government did not consider it reasonable to delay the implementation of necessary reforms while awaiting "an unnecessary assessment of the possession process against what is an unspecific metric."[96]

He said that data on the operation of possession proceedings for rented properties was already published by the Ministry of Justice on a quarterly basis. Court rules specified that possession claims requiring a hearing should be listed between four weeks and eight weeks of receipt. The data showed that between April to June 2024 the median time from making a claim to obtaining a possession order was 8.1 weeks.[97]

The minister confirmed that the government intended to proceed with tenancy reform as quickly as possible, in conjunction with an extensive parallel workstream with the Ministry of Justice and His Majesty's Courts and Tribunals Service to ensure the courts were ready at the point of implementation.[98]

New clause 4 was withdrawn following debate.

9.4 Limit on rent to be requested in advance of tenancy (NC6)

The Liberal Democrat Spokesperson for Housing and Planning, Gideon Amos, tabled new clause 6, which would have limited the amount of rent which could be asked for or paid in advance of a tenancy to one month's rent.

The Shadow Housing Minister said that allowing people to offer a larger sum of rent in advance could help those with a poor credit history access a home

94 PBC 5 November 2024 c273-274

95 Clause 126 of the Renters (Reform) Bill (HL Bill 74 of 2023-24) as brought from the Commons

96 PBC 5 November 2024 c274

97 Ministry of Justice, Mortgage and landlord possession statistics: April to June 2024, 8 August 2024, Landlord Possession Timelines

98 PBC 5 November 2024 c274

in the private rented sector when they would otherwise not be able to access a home at all.[99]

The Housing Minister said the government was considering how best to prohibit the landlord practice of requesting large amounts of rent in advance:

> ...Government Members have long recognised that demands for extortionate amounts of rent in advance put financial strain on tenants and can exclude certain groups from renting altogether. We are clear that the practice of landlords requesting large amounts of rent in advance must be prohibited.
>
> Although it might be argued that the interaction of the new rent periods provided for by clause 1 and the existing provisions of the Tenant Fees Act 2019 relating to prohibited payments provide a measure of protection against requests for large amounts of advance rent, I accept that there is a strong case for putting the matter beyond doubt. As I made clear to the Committee, I am giving careful consideration as to how best that might be achieved.[100]

New clause 6 was not called.

9.5 Impact on provision of short-term lettings (NC7)

Gideon Amos (Lib Dem) tabled new clause 7, which would have required the government to publish a review of the extent to which the abolition of fixed-term tenancies had led to landlords leaving the private rented sector to instead provide short-term lettings.

He said it was widely acknowledged that the proliferation of short-term lettings, such as those provided through Airbnb, was having negative consequences in some areas of the country. The National Residential Landlords Association and Dexters letting agency had argued that the bill risked pushing landlords out of the private rented sector and into short-term holiday lettings, thereby exacerbating the situation. The new clause was intended to ensure the bill's impact on the provision of short-term lettings was reviewed.[101]

Gideon Amos noted that the Liberal Democrats wanted to strengthen the regulation of short-term lettings through the introduction of a new licensing system and a new planning use class for short-term lettings. He asked the minister for an update on this policy area.

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99 PBC 29 October 2024 c153

100 PBC 29 October 2024 c152

101 For further information on this issue see the House of Commons Library briefing CBP08395, The growth in short-term lettings in England.

In response, the Housing Minster said good landlords had "nothing to fear" and should be in no rush to change legitimate business models:

> The private rented sector has doubled in size since the early 2000s. There is no evidence of an exodus since reform was put on the table by the previous Government. Our proposals will ensure that landlords have the confidence and support they need to continue to invest and operate in the sector.[102]

He assured the committee that the government was committed to robustly monitoring and evaluating the impact of its reform programme. He also confirmed the government intended to introduce a registration scheme for short-term lettings, and was considering what additional powers it might give local authorities to help them to better respond to excessive concentrations of short-term lettings.[103]

New clause 7 was not called.

9.6 Private rented sector licensing schemes (NC5 & NC9)

Part 3 of the Housing Act 2004 gives local authorities the power to introduce selective licensing of privately rented homes in order to tackle specified problems, such as anti-social behaviour, in their local area.[104]

The Shadow Housing Minister moved new clause 5, which would have removed the ability of local authorities to designate areas as subject to selective licensing. Given the bill's measures to introduce a new private rented sector database and a decent homes standard, Conservative MPs considered that selective licensing would no longer be necessary or appropriate. There was a concern that allowing selective licensing schemes to operate alongside the new measures introduced by the bill could create ambiguity and confusion for landlords.

The Housing Minster responded that the government supported selective licensing. If selective licensing were abolished, local authorities would lose a crucial means of taking effective enforcement action against landlords who did not adhere to the rules. Nevertheless, he acknowledged the Shadow Minister's point and confirmed the government intended to ensure that selective licensing and the measures introduced by the bill would operate effectively alongside each other.[105]

New clause 5 was withdrawn following debate.

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102 PBC 5 November 2024 c272

103 PBC 5 November 2024 c273

104 For further information see the Commons Library briefing CBP04634, Selective licensing of private landlords (England & Wales)

105 PBC 5 November 2024 c277

Under part 2 of the Housing Act 2004, local authorities are required to license larger houses in multiple occupation (HMOs) in which five or more people from two or more households share facilities. Local authorities also have the power to introduce an additional licensing scheme that may apply to certain HMOs that are not subject to mandatory licensing.[106]

Carla Denyer (Green) tabled new clause 9, which would have increased the maximum duration of discretionary (additional) HMO licensing schemes and selective licensing schemes from five to ten years, and would have enabled local authorities operating selective licensing schemes to use licence conditions to improve housing conditions.

She said that licensing schemes could be an effective way to improve housing standards, as they were proactive, self-funded and targeted. However, they could be expensive and time-consuming for local authorities to initially introduce, and it therefore did not make sense to restrict their implementation period to only five years. She argued that increasing the duration of the licensing schemes would allow local authorities to advertise for longer-term posts for officers and include training of new staff in those schemes. It would also provide more time for local partnerships formed through such schemes to become embedded and effective.

Carla Denyer said the new clause would also address an issue highlighted by the Chartered Institute of Environmental Health during oral evidence to the committee, namely that although local authorities can introduce selective licensing schemes to address poor housing conditions, they cannot include a directly enforceable requirement relating to housing conditions as a condition of the licence. The new clause would therefore amend section 90 of the 2004 act to enable local authorities to use licence conditions to improve housing conditions directly.[107]

Responding, the Housing Minister said the government considered a maximum duration of five years for licence schemes was appropriate; it gave local authorities time to realise improvements while ensuring landlords were not subject to increased regulation for prolonged periods. A five-year timeframe gave an opportunity to review the effectiveness of individual discretionary licensing schemes and ensure they were proportionate in achieving their aims. He also said that if a licensing scheme expired and there was still a case for one then local authorities could simply introduce a new scheme.

With regards to housing conditions, the minister emphasised that the bill's measures, in particular the introduction of a decent homes standard and Awaab's law to the private rented sector, were intended to improve standards

[106] For further information see Commons Library briefing CBP00708, Houses in multiple occupation (HMOs) England and Wales.

[107] PBC 5 November 2024 c276

in all private rented housing and across all local authority areas, not just those areas covered by licensing schemes.[108]

New clause 9 was not called.

9.7 Guarantor to have no further liability following death of tenant (NC8)

Some landlords require a guarantee from a third party (a 'guarantor') that they will meet the obligations under a tenancy, for example the payment of rent, as a condition for letting a property to a tenant.

Helen Hayes (Lab) tabled new clause 8 , which was supported by 29 MPs. The amendment was moved by Claire Hazelgrove (Lab). The new clause would have protected bereaved guarantors by prohibiting the application of a guarantor agreement in the event of the death of a tenant. The new clause was informed by the tragic constituency case of a couple who lost their son to suicide:

> The young man was a first-year university student who had signed a private tenancy for his second-year accommodation. Very sadly, he died by suicide months before the new tenancy was due to start. His parents had signed a guarantor agreement that applied in the event of the tenant's death, and while they were grieving the loss of their son, the letting agent pursued them for the rent on the property in which he would never live. That type of clause is not common to all guarantor agreements, and it is entirely unnecessary, because the loss of rental income due to the death of a tenant is an insurable risk for landlords.[109]

The new clause had been drafted with the assistance of lawyers from Shelter.

The Housing Minister agreed it was unacceptable for bereaved guarantors to be held liable for unpaid rent in the event of the death of a tenant. He said the government had been carefully considering the issue and he hoped to be able to say more at report stage about the matter.[110]

New clause 8 was withdrawn following debate.

9.8 Home adaptations (NC10)

Carla Denyer (Green Party) moved new clause 10 , which would have ensured that landlords gave permission for home adaptations where a local authority

108 PBC 5 November 2024 c278
109 PBC 5 November 2024 c280
110 PBC 5 November 2024 c282

had carried out a home assessment and recommended adaptations that constituted reasonable adjustments under the Equality Act 2010.

The Housing Minister, while sympathetic to the intent of the amendment, did not consider it necessary for the following reasons:

- the Equality Act 2010 already provides that landlords cannot unreasonably refuse a request for reasonable adjustments to be made for the purposes of a disabled person using their home. Where consent has been sought and is refused, the burden is on the landlord to show why their refusal or any conditions are reasonable.
- the bill's tenancy reforms would support disabled tenants to challenge unreasonable refusals without fear of retaliatory eviction.
- the bill would establish a new private rented sector ombudsman. Tenants might be able to complain to the ombudsman if they thought a landlord had unreasonably refused permission for disability adaptations.
- where a tenant has applied for a disabled facilities grant, local authorities have the power to override the requirement for tenants to have the landlord's permission to make adaptations, and to award the grant without permission if they believe that permission was withheld unreasonably.[111]

New clause 10 was withdrawn following debate.

9.9 Rent controls (NC11)

Carla Denya (Green) moved new clause 11, which would have introduced rent controls. A control would be set by an independent living rent body, taking account of the property's size and quality, as well as local incomes, location and any other criteria that the body saw fit to include. The new clause was intended to address the issue of unaffordable private rents:

> I want to see us create a fair system of rent controls, carefully introduced with local flexibility, aimed at bringing down rents relative to incomes and acknowledging that that must come alongside a suite of policies to address the housing crisis more broadly, including a major increase in social housing and real support for community-led housing.[112]

She considered that the bill's measures to limit rent increases did not go far enough. She also said that rent control was a normal part of housing policy in similar economies; there were currently rent controls in 17 European countries.

111 PBC 5 November 2024 c284
112 PBC 5 November 2024 c288

Responding, the Housing Minister said although he recognised the concerns in relation to rising rents, the new clause was neither necessary nor proportionate. The government considered that such rent controls "would impact negatively on tenants as well as landlords, as a result of reduced supply, discouraged investment and declining property sales…" He said the bill as drafted struck the right balance with regards to restricting unreasonable within-tenancy rent increases. The minister also pointed out that aside from legislation, the government was taking other action to address affordability pressures in the private rented sector, for example by providing an additional £500 million funding for affordable housing in the Autumn Budget 2024.[113]

New clause 10 was withdrawn following debate.

9.10 Restrictions on the requirement for tenants to provide a guarantor (NC14)

Some landlords require a guarantee from a third party (a 'guarantor') that they will meet the obligations under a tenancy, for example the payment of rent, as a condition for letting a property to a tenant. There is no restriction on when a guarantee may be required and it is common in lettings by a private landlord to students or other young people.

New clause 14, tabled by Alex Sobel (Lab), would have restricted the circumstances in which a landlord could request a guarantor.

Introducing the amendment, Carla Denyer (Green) said the widespread landlord practice of requiring a guarantor was discriminatory, and for some people it was a barrier to securing housing:

> Although for some, this is just an inconvenience, for tenants who are from deprived socioeconomic backgrounds, who are estranged from their families, who have a background in care or who are coming to the UK, such as international students from abroad, it can be a huge barrier to securing a home. The practice can push those unable to find a suitable guarantor into unsustainable debt, because they are forced to pay either months of rent up front or for costly guarantor schemes run by private companies. Others are forced into hostels or sofa surfing, and can even be made homeless.[114]

She pointed out that landlords had several other means available to protect themselves against potential financial losses, including tenant referencing, rent guarantee insurance and deposit protection schemes, all of which made guarantor schemes unnecessary.

The Housing Minister sympathised with prospective tenants who might find it difficult to obtain a guarantor. The government was clear that landlords

113 PBC 5 November 2024 c288-289

114 PBC 5 November 2024 c281

should consider tenants' individual circumstances when negotiating rental contracts, rather than requiring all tenants to provide a guarantor. However, he was also mindful that the use of guarantors could give landlords confidence to provide tenancies to individuals who might otherwise struggle to gain accommodation. That might include people with a history of rent arrears or with no previous rental history, people who were moving out of home for the first time and foreign students. The minister was concerned that the wording of the new clause might inadvertently make it harder for those tenants to find a place to live. He therefore asked for the new clause to be withdrawn, but committed to continue engaging with stakeholders on this issue.[115]

New clause 14 was not called.

[115] PBC 5 November 2024 c282

10 Appendix: Members of the public bill committee

The Renters' Rights Bill Public Bill Committee was chaired by Sir Christopher Chope (Con), Clive Betts (Lab), Dame Caroline Dinenage (Con), Carolyn Harris (Lab) and Sir Roger Gale (Con) and consisted of the following members:

Amos, Mr Gideon (Taunton and Wellington) (LD)
Blake, Rachel (Cities of London and Westminster) (Lab/Co-op)
Carling, Sam (North West Cambridgeshire) (Lab)
Collier, Jacob (Burton and Uttoxeter) (Lab)
Denyer, Carla (Bristol Central) (Green)
Hazelgrove, Claire (Filton and Bradley Stoke) (Lab)
Khan, Naushabah (Gillingham and Rainham) (Lab)
Kitchen, Gen (Wellingborough and Rushden) (Lab)
McEvoy, Lola (Darlington) (Lab)
Mayhew, Jerome (Broadland and Fakenham) (Con)
Naismith, Connor (Crewe and Nantwich) (Lab)
Pennycook, Matthew (Minister for Housing and Planning)
Simmonds, David (Ruislip, Northwood and Pinner) (Con)
Slade, Vikki (Mid Dorset and North Poole) (LD)
Smith, Rebecca (South West Devon) (Con)
Uppal, Harpreet (Huddersfield) (Lab)
Wheeler, Michael (Worsley and Eccles) (Lab)

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