# Lead Member Briefing (LMB) Renters Rights Bill

Lead Member Briefing: 24th March 2025 (TBC)

Assistant Mayor for Housing: Cllr Elly Cutkelvin

Lead Director: Chris Burgin

#### **Useful information**

■ Ward(s) affected: All

■ Report authors: Sarah Statham, Service Manager Housing Solutions / Jo Russell, Head of Service (Housing)

■ Author contact details: 0116 454 5191 / 0116 454 0245

■ Report version number: v0.1

#### 1. Purpose

- 1.1. This report provides a briefing on the Renters Rights Bill and the potential implications for Leicester City Council. The Bill proposes to make provision to change the law about privately rented homes, including abolishing fixed term assured tenancies and assured shorthold tenancies, imposing obligations on landlords and others in relation to privately rented homes.
- 1.2. The report has been written collaboratively with Housing and Homeless Services alongside Neighbourhood and Environmental Services.

# 2. Background

- 2.1. The Renters' Rights Bill is a piece of upcoming legislation designed to deliver reforms to the Housing Private Rented Sector (PRS). Its primary goal is to give tenants more security to stay in their homes with the abolition of no fault evictions (known as Section 21 evictions), move to a simpler tenancy structure where all assured tenancies are periodic, providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction.
- 2.2. The Renters' Rights Bill is the most significant reform the PRS has seen since the Housing Act 1988. Introduced to Parliament on 11 September 2024, the Bill has wide-ranging implications for landlords, tenants, and letting agents alike.
- 2.3. On 11 September 2024, the United Kingdom's Renters' Rights Bill received its first reading in the House of Commons. The Bill follows on from the Renters (Reform) Bill 2023, and will, if successfully passed into law, mean a number of significant changes relevant to the privaterented sector as described in section 3 of this report.
- 2.4. The government aims to have the new tenancy system in place by summer 2025. The government says it "will work closely with all parts of the sector to ensure a smooth transition to the new system and will provide sufficient notice ahead of implementation". This is expected to be a period of 6 months.

# 3. Overview and summary of the new measures within the Bill:

- 3.1 The following is an at a glance guide to the key new measures that will be introduced within the bill:
  - a) Abolish fixed-term assured shorthold tenancies (ASTs) as a result of this, all tenancies will become periodic

- b) Limit rent increases the shift to periodic tenancies means Section 13 notices will be the only way for landlords to raise the rent; these can only be served once per year
- c) Abolish Section 21 evictions landlords will no longer be able to serve "no-fault" notices to regain possession of their properties
- d) Expanded Section 8 possession grounds the Government is adding and updating both mandatory and discretionary grounds due to the abolition of Section 21
- e) Ban rental bidding wars landlords and agents can't accept offers above the advertised price
- f) Introduce a landlord ombudsman this will help resolve disputes between landlords and tenants impartially
- g) Create a private rented sector database designed to compile information about landlords and properties and provide visibility on compliance
- h) Apply the Decent Homes Standard all rental properties must meet minimum quality standards
- i) Prohibit discrimination landlords can't refuse tenants on benefits or with children
- 3.2 The following table indicates the areas of work that these changes will impact upon:

Change	Main Services impacted
Abolish fixed-term assured shorthold tenancies (ASTs) - as a result of this, all	Housing Solutions
tenancies will become periodic	Tenancy Management – HomeCome
	Legal Services (advice)
Limit rent increases - the shift to periodic tenancies means Section 13 notices will be	Homeless Services
the only way for landlords to raise the rent; these can only be served once per year	Housing Solutions
	Trading Standards/Private Sector Housing Team (EHO function)
	Legal Services
Abolish Section 21 evictions - landlords will no longer be able to serve "no-fault" notices	Homeless Services
to regain possession of their properties	Tenancy Management – HomeCome
	Income Management Team – Homecome
Expanded Section 8 possession grounds - the Government is adding and updating both	Homeless Services
mandatory and discretionary grounds due to the abolition of Section 21	Housing Solutions

Ban rental bidding wars - landlords and	Homeless Services & Housing Solutions
agents can't accept offers above the advertised price	Trading Standards/Private Rented Sector Team (EHO function)
	Legal Services
Introduce a landlord ombudsman - this will	Homeless Services & Housing Solutions
help resolve disputes between landlords and tenants impartially	Private Sector Housing (EHO function)
Create a private rented sector database - designed to compile information about landlords and properties and provide visibility on compliance	Any service with a need to access this information should have this made available.
	Private Sector Housing Team (EHO function) and associated teams.
Apply the Decent Homes Standard - all rental properties must meet minimum quality standards	Private Sector Housing Team (EHO function)
Claridate	Housing Solutions
Prohibit discrimination - landlords can't refuse tenants on benefits or with children	Housing Solutions
	Trading Standards/Private Sector
	Housing Team (EHO function)
	Legal Services
Additional Investigat	tion & Enforcement
A Duty to Report Enforcement Activity	Any Service carrying out enforcement under this Act.
Additional Investigation and enforcement Powers inc. Harassment Act	Private Sector Housing (EHO function)
	Trading Standards
	Housing Solutions – PRS Team
	Legal Services

- 3.3 As noted above there are some significant changes required in response to this new piece of legislation which has broad reaching impacts across the Local Authority.
- 3.4 While the Bill has not yet been enacted, it is at Committee stage within the House of Lords (at the time this report is being prepared) so we anticipate it passing into Law in summer 2025. It should be noted that there are a number of amendments to the Bill that have been proposed so the following report is based on what we know today but is subject to change as a result of this.

3.5 A Project Manger, located within the Homeless Continuous Improvement Team, has been allocated to co-ordinate the changes required across the Authority to make sure that we are prepared and the Project will feed into the Housing Board for oversight. There will be key themes of work that need to be delivered across the Authority and the purpose of the Project Manager is to oversee, co-ordinate and manage these changes and ensure that services are prepared and delivering against their actions and monitoring progress and impact.

# 4. Detailed Report

- 4.1A more detailed look at the key themes of the Bill:
- 4.2 **Abolish fixed-term assured shorthold tenancies (ASTs)** as a result of this, all tenancies will become periodic.
- 4.1 Fixed-term tenancies mean renters are obliged to pay rent regardless of whether a property is up-to-standard, and they reduce flexibility to move in response to changing circumstances, for example after relationship breakdown, to take up a new job or when buying a first home.
- 4.2 Instead under the Renters Right Bill, all tenancies will be periodic, with tenants able to stay in their home until they decide to end the tenancy by giving 2 months' notice. This will end the injustice of tenants being trapped paying rent for substandard properties and offer more flexibility to both parties to respond to changing circumstances.
- 4.3 A tenant will be able to end a tenancy by giving 2 months' notice. The end date of the tenancy will need to align with the end of a rent period.
- 4.4 This change is designed to ensure possession grounds are fair to both parties, giving tenants more security, while ensuring landlords can recover their property when reasonable. The bill introduces new safeguards for tenants, giving them more time to find a home if landlords evict to move into or sell their property, and ensuring unscrupulous landlords cannot misuse grounds.
- 4.5 **Limit rent increases** the shift to periodic tenancies means Section 13 notices will be the only way for landlords to raise the rent; these can only be served once per year.
- 4.6 This is intended to provide more protection for tenants from "backdoor eviction" by ensuring tenants are able to appeal excessive above-market rents which are purely designed to force them out. As now, landlords will still be able to increase rents to market price for their properties and an independent tribunal will make a judgement on this, if needed.
- 4.7 All rent increases in the private rented sector will be made using the same process. Landlords will be able to increase rents once per year to the market rate. To do this, they will need to serve a 'section 13' notice, setting out the new rent and giving at least 2 months' notice of it taking effect. Whilst the introduction of rent controls is not supported by the bill, private rented sector tenants will be empowered to challenge unreasonable rent increases above market prices. If a tenant believes the proposed rent increase exceeds market rate, they can then challenge this at the First-tier Tribunal, who will determine what the market rent should be.
- 4.8 The Tribunal will no longer be able to increase rent beyond the amount the landlord initially proposed, and the practice of backdating rent increases will end, with the new rent instead applying from the date of the Tribunal determination. In cases of undue hardship, the Tribunal

will have the power to defer rent increases by up to a further 2 months. This will give tenants confidence in the appeal process and will ensure they are not unexpectedly thrust into debt. Rent increases by any other means will not be permitted under the Bill. This will also ensure all parties are clearer on their rights and responsibilities.

- 4.9 **Abolish section 21 evictions** and move to a simpler tenancy structure where all assured tenancies are periodic, providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction. This new system will be implemented in one stage, giving all tenants security immediately.
- 4.10 Under the Housing Act 1988, landlords must serve a legal notice to end a tenancy. If the tenant does not leave, the landlord must go to court, which can instruct bailiffs to enforce eviction.
- 4.11 Currently, a landlord can evict a tenant with an assured shorthold tenancy without providing any reason a section 21 eviction. This requires the landlord to give the tenant 2 months' notice. After this, it is always mandatory for the court to order eviction of the tenant if the tenant does not leave during the notice period.
- 4.12 The Renters' Rights Bill will abolish assured shorthold tenancies and with them, section 21 evictions, meaning landlords must instead use a section 8 ground for possession. These are specific circumstances in which a landlord can regain possession. This will protect tenants from section 21 (no fault) evictions, and mean landlords can only end tenancies in specific circumstances set out in law, including where the tenant is at fault or if the landlord needs to sell. See **Appendix 1** for further detail on these grounds.
- 4.13 This gives tenants more security, while ensuring landlords can recover their property when reasonable. The bill introduces new safeguards for tenants, giving them more time to find a home if landlords evict to move into or sell their property, and ensuring unscrupulous landlords cannot misuse grounds.
- 4.14 Where a tenant is at fault, landlords can give notice using the relevant grounds at any point in the tenancy. This includes where a tenant commits antisocial behaviour, is damaging the property, or falls into significant arrears.
- 4.15 There will however be new protections for tenants who temporarily fall into rent arrears, supporting both parties by preventing tenancies which are otherwise viable from ending. The mandatory threshold for eviction will be increased from 2 to 3 months' arrears and the notice period will be increased from 2 weeks to 4. This will allow tenants more time to repay arrears and remain in their homes, while ensuring landlords do not face unsustainable costs.
- 4.16 The bill includes strengthened rights to reclaim properties when it's necessary, for example when the landlord wants to sell or move into the property. Tenants will benefit from a 12-month protected period at the beginning of a tenancy, during which landlords cannot evict them to move in or sell the property. Landlords will need to provide 4 months' notice when using these grounds, giving tenants more time to find a new home, and reducing the risk of homelessness.
- 4.17 Another key new provision of the Bill is that Landlords will be prevented from gaining possession if they have not properly protected a tenant's deposit or registered their property on the private rented sector database. Landlords will always be able to rectify non-

- compliance, so they are not prevented from regaining possession indefinitely. These restrictions will not apply to antisocial behaviour grounds.
- 4.18 **Expanded Section 8 possession grounds -** the Government is adding and updating both mandatory and discretionary grounds due to the abolition of Section 21.
- 4.19 This ground will now include the new rent arrears requirements, anti-social behaviour or the landlord wanting to the sell the property.
- 4.20 **End the practice of rental bidding** by prohibiting landlords and agents from asking for or accepting offers above the advertised rent. Landlords and agents will be required to publish an asking rent for their property and it will be illegal to accept offers made above this rate.
- 4.21 Once enacted, the Renters' Rights Bill will require landlords and letting agents to publish an asking rent for their property. It will also prohibit them from asking for, encouraging, or accepting any bids above this price.
- 4.22 **Introduce a landlord ombudsman -** this will help resolve disputes between landlords and tenants impartially.
- 4.23 According to the briefing documents published about the new PRS Housing Ombudsmen, it is noted that the ombudsman service will provide a "quicker, cheaper resolution when there are disputes" between private landlords and tenants, and "provide fair, impartial and binding resolution" while reducing the need to go to court.
- 4.24 The existing Housing Ombudsman Service only deals with social housing providers and voluntary members from the private sector but it is proposed to expand this existing service to include the new Ombudsmen functions within the Renters Rights Bill.
- 4.25 There has been no further publication of guidance on how this will work in practice at the date of this report.
- 4.26 **Create a Private Rented Sector Database** to help landlords understand their legal obligations and demonstrate compliance (giving good landlords confidence in their position), alongside providing better information to tenants to make informed decisions when entering into a tenancy agreement. It will also support local councils by helping them target enforcement activity where it is needed most. Landlords will need to be registered on the database to use certain possession grounds.
- 4.27 All landlords of assured and regulated tenancies will be legally required to register themselves and their properties on the database and could be subject to penalties if they market or let out a property without registering it and providing the required information. Additionally, they will not be able to get a possession order except if the ground under which possession is sought is ground 7A or ground 14 (tenant anti-social behaviour).
- 4.28 For tenants, the database will increase transparency and the information available before they decide to rent a property and throughout their renting journey. This will allow them to take effective action to enforce their rights and be aware when they can escalate issues with their property to their local council or the Private Rented Sector Ombudsman.
- 4.29 The database will provide local councils with more data about private rented sector properties. One of the biggest and most time-consuming barriers faced by local councils is

identifying poor quality and non-compliant private rented sector properties and who owns them. The database will provide a trusted and consistent intelligence source which will remove unnecessary, frustrating administration, meaning council staff will be able to focus on enforcement against criminal landlords.

- 4.30 Regulations on the database will follow, with the intention that local authorities will be the enforcers of the database. The database will hold landlord information such as which landlords have received banning orders, convictions or financial penalties in respect of their management for rented accommodation.
- 4.31 Local councils will be able to take enforcement action against private landlords that fail to join the PRS Database. If a landlord lets or advertises a property without it first being registered on the database, they can be issued with a civil penalty of up to £7,000 by the local council. If a landlord repeatedly breaches the requirement, or if they commit a serious offence such as providing fraudulent information to the database, they may be issued with a civil penalty of up to £40,000 or could face criminal prosecution.
- 4.32 Landlords will be required to pay to join the register. The cost of this is yet to be confirmed and will be contained in further regulations published in due course.
- 4.33 It is intended that the database will support Council's who have implemented selective licensing. Selective licensing remains a valuable tool when used appropriately and combined with other measures. It enables local authorities to target the improvement of standards and safety in areas suffering from issues such as poor housing quality, high levels of deprivation and anti-social behaviour. It has the ability to drive better outcomes for local residents, tenants and responsible landlords.
- 4.34 **Apply the Decent Homes Standard to the private rented sector** to give renters safer, better value homes and remove the blight of poor-quality homes in local communities.
- 4.35 The Decent Homes Standard will now apply to the vast majority of private rented homes, including all PRS homes let on assured tenancies.
- 4.36 If a privately rented property fails to meet DHS requirements, the local council will have a range of enforcement mechanisms available. This includes, for example, issuing an improvement notice requiring the landlord to remedy the failure within a specified timescale.
- 4.37 Landlords who fail to comply with enforcement action can be subject to a civil penalty or criminal prosecution. If such an offence is committed, the tenant or local council can also apply to the First-tier Tribunal for a rent repayment order.
- 4.38 Make it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children helping to ensure everyone is treated fairly when looking for a place to live.
- 4.39 Rental discrimination against families with children or people who receive benefits have no place in a fair and modern housing market. Everyone in the private rented sector is entitled to a safe and decent home and prospective tenants should be considered on an individual basis.
- 4.40 The Renters' Rights Bill will take direct action to address rental discrimination practices in the private rented sector. It will address both overt discriminatory practices, such as 'No DSS'

- adverts, and situations where landlords or letting agents use other indirect practices to prevent someone entering into a tenancy.
- 4.41 Landlords and agents will continue to have the final say on who they let their property to and can carry out referencing checks to make sure tenancies are sustainable for all parties. They will be able to do this based on affordability, but not on the basis the prospective tenant has children or is in receipt of benefits.

#### 4.42 Additional protections of note afforded by the Renters Rights Bill:

- 4.43 Tenants will have strengthened rights to request a pet in the property, which the landlord must consider and cannot unreasonably refuse. To support this, landlords will be able to require pet insurance to cover any damage to their property.
- 4.44 Being a pet owner can often be a barrier to accessing the Private Sector Housing market and relieving homelessness.
- 4.45 This will also require the review of the current approach to pet bans in some Leicester City Council Housing stock.
- 4.46 **Apply 'Awaab's Law' to the sector (damp and mould in homes)**, setting clear legal expectations about the timeframes within which landlords in the private rented sector must take action to make homes safe where they contain serious hazards.
- 4.47 The Renters' Rights Bill will now extend Awaab's Law to privately rented homes. This will ensure that all renters in England are empowered to challenge dangerous conditions and that all landlords must take swift action to make sure homes are safe.
- 4.48 The measures in the bill will allow new requirements to be set requiring private rented sector landlords to address hazards, such as damp and mould, within a specified time. If landlords do not comply, tenants will be able to bring enforcement action against them through the courts.
- 4.49 Renters Rights Bill Strengthening local authority investigation & enforcement powers
- 4.50 The Renter Rights Bill sets out the additional enforcement powers that will be open to Local Authorities. This will be by way of expanding civil penalties, introducing a package of investigatory powers and bringing in a new requirement for local authorities to report on enforcement activity.
- 4.51 **Duty to report –** The Bill sets out that a local housing authority or a county council which is not a local housing authority, must report at the request of the Secretary of State on the exercise of its functions under this landlord legislation.
- 4.52 The Government's private rented sector white paper included a commitment to "bolster national oversight of local councils' enforcement, including by exploring requirements for councils to report on their housing enforcement activity. The Government wants to be able to collect and analyse data on local authorities' enforcement activities in order to evaluate the impact of reforms and understand the action that local authorities are taking against the minority of landlords who flout the rules. Officials will work with local authorities to agree a data reporting framework that is rational, proportionate and helpful to both local and central

- Government, and in line with other similar data collections. The detail of this will follow in Regulations.
- 4.53 The Government have committed to undertake a new burdens assessment and fully fund any additional costs incurred to fulfil this reporting duty.
- 4.54 **New investigatory powers** to help to support local authorities tackle unscrupulous landlords.
- 4.55 The Government's private rented sector white paper included a commitment to "take further steps to help local councils pursue the worst offenders by stripping away red tape, including exploring ways to increase local councils' investigative powers to target illegal business activity by enabling them to require financial information.
- 4.56 The clauses would strengthen local authorities' investigatory powers to respond to landlord practice. For example, they would confer powers on local authorities to require information from property owners, their agents and others for the purposes of investigating whether there had been a breach of, or an offence under, the legislation. They would also confer a power on local authorities to enter premises (without force), to investigate whether there had been certain unlawful conduct in relation to them.
- 4.57 These powers will be available for breaches relating to the new Bill and wider housing legislation.
- 4.58 Civil penalties and rent repayment orders will be extended, placing a new duty on councils to take enforcement action and enhancing their powers of investigation to make that easier.
- 4.59 Local councils will be able to issue civil penalties against landlords who fail to comply with reforms. For example, if they fail to register on the Private Rented Sector Database or with the ombudsman or abuse the new grounds of possession.
- 4.60 First or minor non-compliance could incur a civil penalty of up to £7,000 and serious or repeat non-compliance a civil penalty of up to £40,000.
- 4.61 Local councils will also be able to issue civil penalties against landlords who evict their tenants illegally.
- 4.62 There will be enhanced investigatory powers that will make it easier for local councils to obtain financial information from landlords and third parties when seeking to build a case against landlords for suspected abuses.
- 4.63 Strengthening rent repayment orders by extending them to superior landlords, doubling the maximum penalty and ensuring repeat offenders have to repay the maximum amount.
- 4.64 Proposals to implement new Minimum Energy Efficiency Standards (MEES) aimed at improving tenant welfare through warmer homes and low energy bills for privately rented sector, led by Department for Energy Security and Net Zero (DESNZ), will be set out in a consultation planned for early 2025. Landlords in the private rented sector will need to make improvements to their properties by 2030 to meet the MEES of EPC. Local authorities will be provided with effective and proportionate enforcement powers.
- 4.65 Risks and Potential Impact of the Renters Rights Bill:

- 4.66 The abolition of Section 21 evictions and Assured Shorthold Tenancies.
- 4.67 <u>Landlords</u>; The proposed changes have caused some concern for some Private Landlords with a feeling that they will have less control over their properties and tenancies, more responsibilities in relation to maintaining the property and potentially, a higher financial burden due to the introduction of the Private Landlord database and increased powers for the Local Authority to impose financial sanctions.
- 4.68 <u>Homeless Services</u>; Already, Homelessness Services have seen an increase in the number of households approaching after being served a Section 21 Notice with advice that the landlord wants to sell their property. It is likely that there will be some landlords who will take advantage of the "No Fault" eviction process whilst it still exists to evict tenants on lower incomes who cannot afford to pay higher rent levels so they can relet it at a higher rate before the changes are introduced.
- 4.69 Leicester County Court officials are reporting a significant increase in landlords applying for evictions (double the normal monthly average in December and this continuing in January 25) and we are already seeing the impact of this within Homeless Services.
- 4.70 Housing Solutions will need training and to develop new processes to support tenants and landlords with this change and there will be notable additional work streams to manage as a result.
  - a) The team will have to validate notices and address the issues laid out under section 8, be it rent arrears, anti-social behaviour or the landlord wanting to the sell the property.
  - b) Interventions to sustain tenancies will need to be timely specifically for rent arrears before matters are progressed to court stage.
  - c) The service will also need to adopt a pro-active approach by enhancing mediation between tenants and landlords to resolve matters before notice or court action. The current CB4YS service is well placed to continue to act as a bridge to resolving matters before action is taken.
- 4.71 The Protection from Harassment Act 1977 provides the legislation to deal with both unlawful evictions and the harassment of a residential occupier by the landlord or the landlord's agent. To evict or attempt to evict a person who is entitled to a possession order without the having first obtained a possession order is to commit a criminal offence under the Protection from Eviction Act 1977. It is the local authority not the Police that prosecutes under this legislation. Private renting for tenants: evictions in England: Harassment and illegal evictions GOV.UK
- 4.72 It is envisaged that the introduction of limited grounds under section 8 may lead to an increase in landlord harassment cases and illegal evictions. Teams will need to be well positioned to take urgent action when dealing with threats of illegal evictions and be in a position to protect the rights of tenants and significant. Teams will require training to enable them to advocate on behalf of tenants on legal matters including completing legal court documents and defending possession proceedings.
- 4.73 The Private Rented Sector Team will need to review and amend tenancy agreements to align with the new Assured Periodic tenancy type and will need to review its practices for paying rent shortfalls in advance to ensure payments made successfully sustain tenancies for the intended period.

#### 4.74 HomeCome Tenancies:

- 4.75 Currently, The Council brings all HomeCome tenancies to an end by issuing a section 21 notice. Following introduction of the changes, where the reason for eviction is rent arrears or anti-social behaviour, a relevant Section 8 Notice will be required.
- 4.76 Where the HomeCome property is leased from a Private Landlord, the lease period is coming to an end and the Landlord wants HomeCome to return the property to them so they can let it out again themselves, we currently have a process in place whereby the tenancy is brought to an end by serving a Section 21 Notice and the tenant is rehoused via the Housing Register. This will no longer be possible.
- **4.77** Whilst there is provision to seek possession by serving a Section 8 where there is a superior landlord requiring the return of their property at the end of a lease period (See appendix 1), we have not been able to establish a criterion that aligns with our working agreement with HomeCome. This means that we are unlikely to be able to evict a HomeCome tenant to return the property to the landlord in these circumstances. We will have to review our processes to facilitate return of properties to landlords in these circumstances.
- 4.78 Currently, all HomeCome tenancies are Assured Shorthold Tenancies. This tenancy type will cease to exist, and all existing tenancies will flip to Assured Periodic tenancies with all new tenancies being signed up as such. Whilst there is provision for Private Registered Providers to be given additional time with an extended period of consultation to implement this change, HomeCome is not a Private Registered Provider so it is envisaged that all HomeCome tenancies will be affected by this upon introduction of the changes.
- 4.79 HomeCome will be required to provide a revised tenancy agreement with conditions of tenancy to account for the new assured tenancy type and changes to ending the tenancy.
- 4.80 Existing HomeCome Assured Shorthold Tenancies will need to be changed to HomeCome Assured Tenancies and we will need to write to all affected tenants to advise them of the changes in their tenancy type, explaining how this impacts on their rights.

#### 4.81 Create a Private Rented Sector Database

- 4.82 All private landlords will be required to register themselves and their properties on the PRS Database. Landlords who fail to do this or provide false or misleading information will be subject to enforcement action by the local housing authority.
- 4.83 The government have confirmed that the PRS database will not replace either of the two discretionary licensing schemes (selective and additional licensing) and it is intended for the database to run in parallel with discretionary and mandatory licensing schemes.
- 4.84 It is intended that the new PRS database will also include details about persons who are subject to banning orders, who have been convicted of offences and who have been financially penalised for breaches of housing legislation. This will replace the existing Database of Rogue Landlords and Property Agents as provided under the Housing and Planning Act 2016.

- 4.85 This database will allow a Local Authority to target resources towards non-compliant Landlords which may initially increase the enforcement workload and potential legal action adding pressures to existing team and also Legal Services.
- 4.86 Application of the Decent Homes Standard (DHS) and Awaabs Law.
- 4.87 The bill proposes to amend the Housing Act 2004 which provides for the existing housing hazards regime to allow DHS requirements to be set in regulations and enforced by local housing authorities. This aims to allow a legally binding DHS, comprising clear minimum standards of safety and decency to be introduced for private rented homes.
- 4.88 The DHS will bring parity between homes within the PRS and social housing. This will also bring into scope homes let at sub-market rent that may be considered social housing but are let by providers that are not recorded as Registered Social Housing.
- 4.89 The bill will allow 'Awaab's Law' to be applied to the private rented sector. It will enable timeframes to be set out in regulations within which PRS landlords must make homes safe where they contain serious hazards such as damp and mould.
- 4.90 The government intends to consult on how these changes should be introduced in recognition of the differences between the private and social rental sectors.
- 4.91 It is anticipated that if a PRS landlord fails to comply with Awaab's Law, their tenant can bring a claim for breach of contract for damages and/or report the matter to the Housing Ombudsman Service. Landlords could also face significant penalties including fines up to £7.000 and criminal prosecution.
- 4.92 Whilst the local housing authority will not have direct enforcement powers in relation to Awaab's Law it is anticipated they will experience increased pressure to support tenants in addressing significant hazards with their landlord.
- 4.93 Make it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children
- 4.94 A financial penalty may be imposed on a person if on the balance of probabilities, if it is satisfied what there has been a breach of a rental discrimination measure.
- 4.95 While which team will enforce that will form part of our planned response to the Renters Rights Bill it is likely to be Trading Standards or the Private Sector Housing Team (EHO function), and this would be additional workload for already stretched teams.
- 4.96 End the practice of rental bidding by prohibiting landlords and agents from asking for or accepting offers above the advertised rent.
- 4.97 This is likely to be enforced by the Trading Standards Team or the Private Sector Housing Team (EHO function) and which team should enforce this will be clarified as part of our planned response; this is again an additional enforcement responsibility for already stretched teams.
- 4.98 Strengthen local authority enforcement

- 4.99 The bill will place a new duty on local authorities to enforce landlord legislation (currently we have powers to enforce, but are not obligated to use the powers).
- 4.100 This will have a significant impact on teams across the authority who will have a Duty to enforce rather than a power that allows discretion.
- 4.101 The bill's provisions to strengthen enforcement has been broadly welcomed but stakeholders such as the LGA and professional bodies such as the Association of Chief Environmental Health Officers have stressed that local authorities must be adequately resourced and that there must be a realistic assessment of the resources local housing authorities need to regulate the PRS effectively.
- 4.102 It is anticipated that there will be significant 'new burdens' funding to help local housing authorities implement the new duties within the bill in 2025-6 and 2026-7. It is anticipated by government that on-going resourcing will be found in the increased use of financial penalties, and PRS Database fees.
- 4.103 Given that the Bill is likely to become law in Summer 2025, we have had no contact or guidance about this at this stage.

#### 4.104 Next Steps

- 4.105 Commence the corporate co-ordination of the response required for the bill with the appointment of the Project Manager in mid April and attribute key workstream leads to deliver against each area of work.
- 4.106 Monitor the progress of the bill through the final stages and note any amendments and incorporate into the delivery plan.
- 4.107 Provide Corporate oversight of the delivery plan through a defined Governance structure likely at this stage to the Housing Board.
- 5. Financial, legal, equalities, climate emergency and other implications

# 5.1 Financial Implications

The Renters Rights Bill has outlined new legislation both for tenants and private landlords. The removal of Section 21 means that no fault evictions are no longer permitted, however updated terms in Section 8 will still allow evictions for various reasons with the current terms being expanded. This could lead to changes in homelessness presentations in the city; either decreasing due to the abolition of Section 21 or increasing due to the wider Scope of Section 8. The expectation is that significant resource will be required to understand this legislation and enforce it as necessary, however New Burdens funding will contribute towards this. A project manager is being appointed to monitor this, and updates at Housing Board will allow finance to assess this risk regularly and liaise with the service on the financial implications of this regularly. If the report progresses after LMB, finance would need to be consulted again to ensure no further comment is required.

Signed: Jade Draper, Principal Accountant

Dated: 25th March 2025

### 5.2 Legal Implications

There are a number of legal implications which arise as a result of the Renter's Right's Bill, although predominantly these relate to assured shorthold tenancies, such as those provided by HomeCome. The impact of the changes to these tenancies has already been set out in this paper above.

LCC tenancies are secure and the changes are not applicable to these tenancies. Notice provisions and action taken within and around these tenancies remains as before.

There are significant changes to the Council's enforcement powers where landlords have not complied with their duties, have failed to keep the property in a decent standard and have carried out illegal evictions. Again this has been set out in this paper above.

Signed: Shazmina Ghurma, Principal Lawyer

Dated: 1st April 2025

#### 5.3 Equalities Implications

Since the passing of the <u>Equality Act 2010</u> landlords and letting agents in the UK have been legally prohibited from discriminating against potential tenants based on the protected characteristics under the Act. This includes refusing to rent or treating someone unfairly based on factors like race, sex, disability, religion, or sexual orientation.

The report provides a briefing on the Renters Rights Bill and the potential implications for the Council. There are no direct equality implications arising from the report.

The Renters Right Bill is set to make significant changes in the private rental sector. It aims to give private rented tenants greater protections, including: abolishing section 21 evictions, strengthening action against failing landlords, introducing a Decent Homes Standard for the Private Rented Sector and making it illegal for private landlords to discriminate against people who receive benefits or have children.

Signed: Equalities Officer, Surinder Singh, Ext 37 4148

Dated: 24th March 2025

# 5.4 Climate Change Implications

Based on its current proposals, the Bill is likely to have a positive impact on the energy efficiency of PRS homes in city through

- The extension of the Decent Homes Standard, which includes minimum requirements for insulation
- Mandatory disclosure of compliance information on the PRS database, coupled with increased investigatory and enforcement powers and duties for local authorities, which may lead to more identification of sub-standard properties in relation to energy efficiency – and subsequently more enforcement action.

Although separate from the Bill, the report also highlights (para 4.64) the forthcoming Government consultation on changes to Minimum Energy Efficiency Standards (MEES) for private rented housing. If, as expected, the consultation proposes increasing the MEES from the current level of an 'E' Energy Performance Certificate (EPC) rating to a 'C' from 2030, then the combination of this and the increased responsibilities, powers and duties around the state of properties, investigations and enforcement action proposed in the Renters' Rights Bill should act as a very significant driver for improved energy efficiency in the city – feeding through ultimately into reduced carbon emissions.

Signed: Duncan Bell, Change Manager (Climate Emergency). Ext. 37 2249.

Dated: 27th March 2025

5.5 **Other implications** (You will need to have considered other implications in preparing this report. Please indicate which ones apply?)

N/A

6. Background information and other papers:

N/A

7. Summary of appendices:

Appendix 1 – Grounds for eviction

8. **Is this a private report** (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?

N/A

9. Is this a "key decision"? If so, why?

No

Appendix 1: Grounds for possession

Ground		Summary	Notice period
Mandatory grounds			
1	Occupation by landlord or family	The landlord or their close family member wishes to move into the property. Cannot be used for the first 12 months of a new tenancy.	4 months
1A	Sale of dwelling-house	The landlord wishes to sell the property. Cannot be used for the first 12 months of a new tenancy.	4 months
1B	Sale of dwelling-house under rent-to-buy	The landlord is a private registered provider of social housing and the tenancy is under a rentto-buy agreement.	4 months
2	Sale by mortgagee	The property is subject to a mortgage and the lender exercises a power of sale requiring vacant possession.	4 months
2ZA	Possession when superior lease ends	The landlord's lease is under a superior tenancy that is ending. Can only be used by private registered providers of social housing, agricultural landlords, a person who held the dwelling for the purposes of making it supported accommodation or a company majority owned by a local authority.	4 months
2ZB	Possession when superior lease ends	The landlord's lease is under a superior tenancy that is coming to an end or has ended. Can only be used if the superior	4 months

Ground		Summary	Notice period
		lease was for a fixed term of over 21 years.	
2ZC	Possession by superior landlord	After a superior tenancy ends, the superior landlord becomes the tenant's direct landlord and seeks to take possession. Can only be used where the intermediate landlord prior to reversion was a private registered provider of social housing, agricultural landlord, a person who held the dwelling for the purposes of making it supported accommodation or a company majority owned by a local authority.	4 months
2ZD	Possession by superior landlord	After a superior tenancy ends, the superior landlord becomes the tenant's direct landlord and seeks to take possession. Can only be used where the superior lease was for a fixed period of over 21 years and has expired, or within a 12 month period of the fixed term expiry date, if the fixed term has been ended early. Or if the superior tenancy comes to an end after the expiry of the fixed term as a result of a valid notice.	4 months
4	Student accommodation	In the 12 months prior to the start of the tenancy, the property was let to students. Can only be used by specified	2 weeks

Ground		Summary	Notice period
		educational establishments.	
4A	Properties rented to students for occupation by new students	A HMO is let to full-time students and is required for a new group of students in line with the academic year. Cannot be used if the tenancy was agreed more than 6 months in advance of the tenancy starting (i.e. the tenant moving in).	4 months
5	Ministers of religion	The property is held for use by a minister of religion to perform the duties of their office and is required for occupation by a minister of religion.	2 months
5A	Occupation by agricultural worker	The landlord requires possession to house someone who will be employed by them as an agricultural worker.	2 months
5B	Occupation by person who meets employment requirements	A private registered provider of social housing holds the property for use by tenants meeting requirements connected with their employment and it is required for that purpose (and the current tenant does not fulfil those requirements).	2 months
5C	End of employment by the landlord	Previously ground 16 (expanded). The dwelling was let as a result of the tenant's employment by the landlord and the employment has come to an end OR the tenancy was not meant to last the duration of the	2 months

Ground		Summary	Notice period
		employment and the dwelling is required by a new employee.	
5D	End of employment requirements	A private registered provider of social housing, included an employment requirement in the tenancy agreement that the tenant no longer fulfils (e.g., key worker).	2 months
5E	Occupation as supported accommodation	The property is held for use as supported accommodation and the current tenant did not enter the tenancy for the purpose of receiving care, support or supervision.	4 weeks
5F	Dwelling-house occupied as supported accommodation	The tenancy is for supported accommodation and one of the circumstances set out in the ground, making the accommodation no longer viable or suitable for that tenant, has occurred.	4 weeks
5G	Tenancy granted for homelessness duty	The property has been used as temporary accommodation for a homeless household, under s193 of the Housing Act 1996, and a local housing authority has notified the landlord that the tenancy is no longer required for that purpose. The landlord can only use this ground if within 12 months of the date of the notice from the local housing authority.	4 weeks

Ground		Summary	Notice period
5н	Occupation as 'stepping stone accommodation'	A registered provider of social housing or a charity lets to a tenant meeting eligibility criteria (e.g., under a certain age) at "affordable rent", to help them access the private rented sector and/or transition to living independently, and the tenant no longer meets the eligibility criteria, or a limited period has come to an end.	2 months
6	Redevelopment	The landlord wishes to demolish or substantially redevelop the property which cannot be done with the tenant in situ.  Various time limits and/or notice requirements exist for this ground depending on the circumstances. The landlord and tenancy must be of the kind listed in the table. A relevant social landlord who intends to carry out redevelopment work and seeks possession on Ground 6 either through case A or B will need to provide alternative accommodation that meets specific conditions set out in case A or B and is either available or will be available when an order for possession takes effect.	4 months
6A	Decant Accomodation	The tenant has been provided with alternative accommodation by a relevant social landlord	4 months

Ground		Summary	Notice period
		while redevelopment affecting the tenant's original home is carried out.	
6B	Compliance with enforcement action	The landlord is subject to enforcement action and needs to regain possession to become compliant. Under this ground, the court will be allowed to require the landlord to pay compensation to the tenant when ordering possession.	4 months
7	Death of tenant	The tenancy was passed on by will or intestacy, and proceedings began within the requisite period of 12 months. The ground can only be used if the new tenant wasn't living in the property immediately before the previous tenant died, the previous tenant also inherited the tenancy or it is a "special tenancy", e.g. supported accommodation.	2 months
7A	Severe ASB/Criminal Behaviour	The tenant has been convicted of a type of offence listed in the ground, has breached a relevant order put in place to prevent antisocial behaviour or there is a closure order in place prohibiting access for a continuous period of more than 48 hours.	Landlords can begin proceedings immediately
7в	No right to rent	At least one of the tenants has no right to rent under immigration law as a result of their immigration status and	2 weeks

Ground		Summary	Notice period
		the Secretary of State has given notice to the landlord of this.	
8	Rent arrears	The tenant has at least 3 months' (or 13 weeks' if rent is paid weekly or fortnightly) rent arrears both at the time notice is served and at the time of the possession hearing.	4 weeks
Discretionary grounds			
9	Suitable alternative accommodation	Suitable alternative accommodation is available for the tenant	2 months
10	Any rent arrears	The tenant is in any amount of arrears	4 weeks
11	Persistent arrears	The tenant has persistently delayed paying their rent,	4 weeks
12	Breach of tenancy	The tenant is guilty of breaching one of the terms of their tenancy agreement (other than the paying of rent).	2 weeks
13	Deterioration of property	The tenant has caused the condition of the property to deteriorate.	2 weeks
14	Anti-social behaviour	The tenant or anyone living in or visiting the property has been guilty of behaviour causing, or likely to cause, nuisance or annoyance to the landlord, a person employed in connection with housing management functions, or anyone living in, visiting or in	Landlords can begin proceedings immediately

Ground		Summary	Notice period
		the locality of the property. Or the tenant or a person living or visiting the property has been convicted of using the premises for illegal/immoral purposes, or has been convicted of an indictable offence in the locality.	
14A	Domestic Abuse	A social landlord wishes to evict the perpetrator of domestic violence if the partner has fled and is unlikely to return.	2 weeks
14ZA	Rioting	The tenant or another adult living at the property has been convicted of an indictable offence which took place at a riot in the UK.	2 weeks
15	Deterioration of furniture	The tenant has caused the condition of the furniture to deteriorate.	2 weeks
17	False statement	The tenancy was granted due to a false statement made knowingly or recklessly by the tenant or someone acting on their instigation.	2 weeks
18	Supported accommodation	The tenancy is for supported accommodation and the tenant is refusing to engage with the support.	4 weeks