

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO**

Licensing and Public Protection Committee
05 September 2023

Report Title: Renters' (Reform) Bill

Submitted by: Service Director - Regulatory Services

Portfolios: Community Safety and Wellbeing

Ward(s) affected: All

Purpose of the Report

To advise members of the Renters' Reform Bill's which is currently progressing through Parliament.

Recommendation

That Public Protection Committee:

1. Note the progress of the Bill and the likely impacts on tenants, Newcastle Housing Advice and our enforcement functions.

Reasons

To prepare for the requirements of new legislation.

1. **Background**

- 1.1 In June 2022 the Government published its White Paper "[A fairer private rented sector](#)" with an aim to offer a New Deal for people living in the Private Rented Sector.
- 1.2 The White Paper outlined 5 ambitions and a 12-point plan of action to achieve those ambitions. It promised to address these through a Renters' Reform Bill, and to "create a Private Rented Sector that is fit for the 21st century, with equal access to decent rented properties across the country and the security for tenants to make their house a home."
- 1.3 Following several delays, the Bill was published on 17th May 2023 and is awaiting its second reading. This is likely to be autumn 2023.

2. **Issues**

- 2.1 It was anticipated that the Bill would have dealt with the 12-point plan of action from the 2022 White Paper, but around 5 of these points are to be dealt with by later legislation. The Bill concentrates on contractual and lease arrangements, evictions, rent, pets and the creation of a Property Portal and Ombudsman scheme for the sector.
- 2.2 Commitments to improving living standards, strengthening enforcement when living conditions are of poor standard, or when the landlord is acting in a criminal manner, and bringing in a Decent Home Standard for Private rented homes will be implemented in future.

2.3 The Bill does include a clause (Clause 58) placing a new duty on all housing authorities in England to enforce landlord legislation in their areas. As the Bill does not address standards, this new duty is limited only to the element that the Bill does cover.

2.4 The Bill is at a very early stage, and much of it is written to enable the introduction of secondary legislation to give effect to its clauses.

2.5 The implications for tenants are:

- Tenancies should be more secure, and damaging aspects of unscrupulous behaviour will be better regulated, including greater security against eviction and better deposit protection.
- An opportunity to check that a potential new home is registered on a portal, and that all necessary safety paperwork is accessible.
- The right to keep a pet is introduced.
- No improvement in the quality and standard of living conditions will arise directly from the Bill

2.6 The implications for landlords are:

- Criminal and very poor landlords will find it more difficult to operate once all provisions of the Bill are introduced.
- The need to register all properties and associated paperwork on a landlord portal.
- Smaller landlords could find it difficult to operate economically within the more restrictive system that the Bill will bring, and many are already talking about moving out of the sector.
- Conversely, some small to medium sized professional landlords have commented that they do not anticipate the proposed new requirements to cause them difficulty.

2.7 The implications for Councils are:

- The disparity between well resourced and poorly resourced Council enforcement teams will have to be addressed to achieve consistency across England.
- Clause 58 will require all councils to take formal action for a range of new offences in relation to registration requirements for landlords, tenancy provisions, and harassment and unlawful evictions.
- A corresponding increase in activity in relation to poor living conditions may come along later, if the additional regulation of these matters goes ahead.
- If landlords choose to leave the sector it will increase the number of tenants being asked to leave their current home through the service of a notice. This is likely to increase homeless presentations to councils and will place additional pressure on social housing waiting lists.

Private rented Sector in Newcastle-under-Lyme:

2.8 Census information tells us that in 2021, 14.5% (8,190 properties) of Newcastle-under-Lyme 56,479 households rent privately. This figure increased from 10.5% in 2011. In 2021, just over one in six households (17.1%) lived in socially rented housing, compared with 18.7% in 2011. The percentage of Newcastle-under-Lyme households that owned their home (outright or with a mortgage or loan) decreased from 69.1% to 67.7%. The increase in the percentage of privately-rented homes in Newcastle-under-Lyme (4.0 percentage points) was similar to the increase across the West Midlands (3.9 percentage points, from 14.0% to 17.9%). Across England, the percentage increased by 3.6 percentage points, from 16.8% to 20.5%.

3. **Proposal**

3.1 That Public Protection committee note the progress of the Bill and the likely impacts on our services for enforcement requirements and Newcastle Housing Advice.

4. **Reasons for Proposed Solution**

4.1 To prepare for the requirements of new legislation.

5. **Options Considered**

5.1 The second reading of the Bill is expected autumn 2023, therefore there are no options to consider until further information is known on the progress and outcomes of the second reading.

6. **Legal and Statutory Implications**

6.1 The expected outcome of the Renters Reform Bill moving through parliamentary processes is that new legislation will be announced shortly. The legislation will place a duty on all local housing authorities to enforce the new requirements consistently for the benefit of tenants in the borough.

7. **Equality Impact Assessment**

7.1 The recommendations in this report do not adversely affect any protected groups.

8. **Financial and Resource Implications**

8.1 There is currently a clause in the legislation which will require all councils to take formal action for a range of new offences in relation to registration requirements for landlords, tenancy provisions, harassment and unlawful evictions. The Association of Chief Environmental Health Officers has identified that to sufficiently resource this work local authorities will need one enforcement officer per 800 private rented sector properties. With 8190 privately rented homes in the borough this would equate to 10 officers, the current number is 3. Funding arrangements to support the new legislation will be closely monitored through its remaining parliamentary processes.

9. **Major Risks**

9.1 There is a risk that landlords may choose to leave the sector rather than comply with new legislation. Previous legislation changes i.e. licensing of houses in multiple occupation saw some smaller landlords leave the sector but equally saw an increase in professional landlords and subsequently a rise in standards. The discussion from within the landlord professional groups will be monitored throughout the remaining passage of the bill.

9.2 The second major risk arising out of the legislation is that additional burdens are placed on the local authority without funding to deal with them. This relates both to enforcement and the risk from landlords choosing to leave the sector. Discussion regarding this aspect will also be closely monitored.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The bill should contribute towards the UN Sustainable Development Goals below:



11. **Key Decision Information**

11.1 This is not a key decision

12. **Earlier Cabinet/Committee Resolutions**

12.1 None

13. **List of Appendices**

13.1 None

14. **Background Papers**

14.1 **The Bill page** - <https://bills.parliament.uk/bills/3462/publications>

14.2 The Parliamentary Briefing was published on 30th May 2023, and can be downloaded at this link - <https://commonslibrary.parliament.uk/research-briefings/cbp-8756/>