



Chartered  
Institute of  
Housing

## What you need to know about the White Paper on a 'fairer private rented sector'



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## Introduction

On 16 June the Government published a [White Paper](#) offering a 'new deal' for private renters in England. This proposes some of the largest changes to the private rented sector (PRS) in 30 years. Alongside the White Paper it also published responses to various consultations and calls for evidence.

## Summary of changes

The White Paper introduces a 12-point plan of action:

1. Halve the number of non-decent rented homes by 2030 and require privately rented homes to meet the Decent Homes Standard
2. Accelerate quality improvements in areas that need it most, running pilot schemes with a selection of local councils to explore different ways of enforcing standards and working with landlords to speed up adoption of the Decent Homes Standard
3. Deliver manifesto commitment to abolish Section 21 'no fault' evictions and deliver a simpler, more secure tenancy structure. A tenancy will only end if the tenant ends it or if the landlord has a valid ground for possession
4. Reform grounds for possession so landlords have effective means to gain possession of their properties when necessary
5. Allow rent increases only once per year, with rent review clauses ended and tenants' ability to challenge excessive rent increases improved.
6. Strengthen tenants' ability to hold their landlord to account and introduce a new single Ombudsman that all private landlords must join. Alongside this, consider how existing rent repayment orders can be strengthened to enable tenants to be repaid rent for non-decent homes
7. Work with the Ministry of Justice and HM Courts and Tribunal Service to target areas where there are unacceptable delays in court proceedings, also strengthening mediation and alternative dispute resolution
8. Introduce a new Property Portal to ensure tenants, landlords and local councils have the information they need. (Subject to consultation with the Information Commissioner's Office government also intends to incorporate some of the functionality of the Database of Rogue Landlords, mandating the entry of all eligible landlord offences and making them publicly visible)
9. Strengthen local councils' enforcement powers and ability to crack down on criminal landlords
10. Legislate to make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits and explore if similar action is needed for other vulnerable groups, such as prison leavers, improving support to landlords who let to people on benefits
11. Give tenants the right to request a pet in their property, which the landlord must consider and cannot unreasonably refuse
12. Work with industry experts to monitor the development of innovative market-led solutions to passport deposits.





Where legislation is needed to enact, changes will be taken forward through the forthcoming Renters Reform Bill (timing not yet confirmed).

## Detail

### 1. Safe and Decent Homes

The White Paper recommits government to legislating to introduce a legally binding Decent Homes Standard (DHS) in the PRS (for the first time). This is a key element of the ambition to halve the number of non-decent homes across all rented tenures by 2030. Government will consult shortly on the detail (we expect summer). Linked to this, government will complete its review of the Housing Health and Safety Rating System (HHSRS) - due to conclude in autumn 2022. The review will streamline the process that local councils take in inspecting properties to assess hazards.

Government will run pilot schemes with a selection of local councils to trial improvements to the enforcement of existing standards and explore different ways of working with landlords to speed up adoption of the DHS. Further detail to follow in due course.

To increase quality and value for money in supported housing, government will invest £20 million to fund local councils facing some of the most acute challenges as part of a three-year Supported Housing Improvement Programme (previously announced). Alongside this, government will publish best practice, based on the approaches that councils found most effective in driving up standards.

### 2. Increased Security and Stability

#### a) End of 'no fault' evictions

The White Paper sets out more detail on government's commitment to abolish Section 21 evictions, introducing its plan to simplify tenancy structures.

Government will move all tenants who would previously have had an Assured Tenancy or Assured Shorthold Tenancy (AST) onto a single system of periodic tenancies. Tenants will need to provide two months' notice when leaving a tenancy. Landlords will only be able to evict a tenant in reasonable circumstances, which will be defined in law.

There will be a two-stage implementation phase to allow time for transition. Six months' notice will be provided before the first implementation date, after which all new tenancies will be periodic and governed by the new rules. All existing tenancies will transition to the new system on a second implementation date, which will be at least 12 months after the first date. After this point all tenancies will be protected from Section 21 eviction.

Government has acknowledged the importance of ensuring these changes are enforced and will consider the case for new or strengthened penalties to tackle any breaches by landlords.

#### b) Reformed grounds for possession

Government will reform possession grounds, with the aim of striking a balance between protecting tenants' security and landlords' right to manage their property by:

- Introducing a new ground for landlords who wish to sell their property or wish their close family members to move into a rental property. (Not in first six months of a tenancy)
- Introducing a new mandatory ground for repeated serious arrears. Eviction will be mandatory where a tenant has been in at least two months' rent arrears three times within the previous three years, regardless of the arrears balance at hearing. This supports landlords facing undue burdens, while making sure that tenants with longstanding tenancies are not evicted due to one-off financial shocks that occur years apart
- Increasing the notice period for the existing rent arrears eviction ground to four weeks and retaining the mandatory threshold at two months' arrears at time of serving notice and hearing (with the exception of a longer time period for tenants awaiting benefit payments)
- Lowering the notice period for the existing mandatory eviction ground
- Introducing new, specialist grounds for possession to make sure that those providing supported and temporary accommodation can continue to deliver vital services.

Private registered providers will continue to have access to the same grounds of possession as private landlords. Further details on the new tenancy system, including how government will ensure effective enforcement of the new tenancy system and reforms to the grounds for possession, can be found in the response to the 2019 consultation on abolishing Section 21, which has been published alongside the White Paper.

### 3. Dispute Resolution

#### a) Rent increases

Government will

- Only allow rent increases once per year (replicating existing mechanisms) and increase the minimum notice landlords must provide of any change to two months
- End the use of rent review clauses, preventing tenants being locked into automatic rent increases
- Enable tenants to have more confidence in challenging unjustified rent increases through the First-tier Tribunal, preventing the Tribunal increasing rent beyond the amount landlords initially asked for
- Require landlords to repay any upfront rent if a tenancy ends earlier than the period tenants have paid for
- Introduce a power through the Renters Reform Bill to limit the amount of rent landlords can ask for in advance (using this power if the practice of charging rent in advance becomes widespread or disproportionate)
- Expand Rent Repayment Orders to cover repayment for non-decent homes.

Tenants who are struggling financially will be given access to a debt relief scheme that will give them a 60-day period in which most interest, fees and charges are frozen while they seek advice.

#### b) A new Ombudsman

Government will introduce a single government-approved Ombudsman covering all private landlords who rent out property in England (regardless of whether they use an agent). (The Ombudsman will have powers to put things right for tenants, including compelling landlords to issue an apology, provide information, take remedial action, and/or pay compensation of up to £25,000. Failure to comply with a decision may result in repeat or serious offenders being liable for a Banning Order. The government will also retain discretionary powers to enable the Ombudsman's decisions to be enforced through the Courts.

Government will explore extending mandatory membership of a redress scheme to residential park home operators, private providers of purpose-built student accommodation and property guardian companies.

#### c) Court reform

Government has ruled out introducing a new Housing Court to improve the efficiency of any litigation as it believes the costs would outweigh the benefits. Instead, Government will introduce a package of court reforms that will target the areas that frustrate and hold up possession proceedings: county court bailiff capacity, paper-based processes, a lack of adequate advice about court and tribunal processes, and a lack of prioritisation of cases.

The Ministry of Justice will also trial a new system in the first-tier tribunal (property chamber) to streamline how specialist property cases are dealt with where there is split jurisdiction between the civil courts and property tribunal.



#### **d) Mediation**

Government will also strengthen mediation and alternative dispute resolution to enable landlords and tenants to work together to reduce the risk of issues escalating. The government will use the forthcoming findings from the rental mediation pilot to inform this.

Further details on steps government is taking to improve the efficiency and effectiveness of court and tribunal services can be found in its response to the 2018 [Call for Evidence on the Case for a Housing Court](#), which has been published alongside this White Paper.

### **4. Better Compliance and Enforcement**

#### **a) Property Portal**

A new digital Property Portal will provide a single 'front door' to help landlords understand, and demonstrate compliance with, their legal requirements. Local councils will be able to take enforcement action against private landlords that fail to join the portal.

The intention is that the portal will be able to flex to support future policy developments, supporting efforts to raise standards in the sector and reduce the number of non-decent rented homes, e.g., it could support a system where landlords and agents must meet minimum standards before properties can be let.

Tenants will be able to access necessary information in relation to their landlord's identity and compliance with key legislative requirements, but not all data will be publicly accessible.

#### **b) Written Tenancy Agreement**

Landlords will be required to provide a written tenancy agreement setting out basic information about the tenancy and both parties' responsibilities, while retaining their right to agree and adapt terms to meet their needs.

#### **c) Stronger powers for local councils**

Where landlords or agents have been convicted of eligible serious offences, this information must be entered into the database of rogue landlords and property agents (currently only required for banning orders) which will be made public, subject to consultation with the Information Commissioner's Office.

Government will seek to lower the threshold for civil penalty entry to cover all civil penalties. This would allow local councils to share more data with each other, encouraging informed and collaborative enforcement activity. (Currently, Civil Penalty Notices can only be entered onto the Database when two or more are served to an individual within a 12-month period.)

Government will explore strengthening the fine regime for serious offences and high criminality, such as the most serious 'Category 1' hazards, including 'minimum fines. They will seek to introduce a national framework for setting fines, based on clear culpability and harm considerations, to ensure a more consistent approach to fine setting and reduce the incidence of arbitrary reductions of fines made by tribunals. They will also explore bolstering local council enforcement to tackle a wider range of standards breaches.

### **5. A positive renting experience i.e., more tenant choice**

#### **a) Support for tenants with families and/or on benefits**

Government will make it illegal for landlords or agents to have blanket bans on renting to families with children or those in receipt of benefits. It will also explore if action is needed for other vulnerable groups that may struggle to access PRS accommodation, e.g., prison leavers.

Government will work with the insurance industry to address landlord and agent misconceptions that it is difficult to arrange insurance for properties where tenants are in receipt of benefits and will also explore improvements to welfare support information for tenants and landlords, helping to ensure that those who are unable to manage their rent payments can arrange direct payments of housing costs to their landlord through their Universal Credit (Managed Payments).

#### **b) Increased rights in the home (pets, decoration etc)**

Government will:

- Legislate to ensure landlords do not unreasonably withhold consent when a tenant requests to have a pet in their home, with the tenant able to challenge a decision. It will also make it easier for landlords to



accept pets by amending the Tenant Fees Act 2019 to include pet insurance as a permitted payment

- Encourage landlords to allow reasonable requests by tenants to redecorate, hang pictures or change appliances - provided they return the property to its original state when they leave.

### c) Passporting deposits

Nearly half of households in the PRS have no access to savings and may struggle to fund a second deposit. To help with this Government will:

- Monitor market-led solutions that aim to reduce the problems experienced during the overlap between tenancies with its expert industry-based working groups, such as the Tenancy Deposit Protection Working Group
- Keep the impact and risks of market-led solutions under review, including their affordability and accessibility, with the Tenancy Deposit Protection Working Group
- Keep the current deposit protection and the broader deposit market under review and take further action, including legislation, if needed.

For further detail, see the Government's response to the [call for evidence](#).

## Our initial response:

We at the Chartered Institute of Housing (CIH), welcome the measures set out in this White Paper which, when enacted, will represent a significant step forward for renters.

Removing Section 21 should help to level the playing field between landlord and tenant, empowering tenants to challenge poor practice and unjustified rent increases, as well as incentivising landlords to engage and resolve issues. (It will, of course, be important to ensure that the grounds for possession are clear.)

Making it easier for tenants with families and/or on benefits to rent privately, and for people to make their home their own will make a huge difference to their security and wellbeing.

We're also pleased to see the establishment of a single Ombudsman for private renters and a portal to support private landlords to understand and fulfil their obligations, and to enable tenants to better hold their landlords to account.

Giving councils stronger powers to tackle the worst offenders, backed by enforcement pilots, and increasing fines for serious offences is welcome. However, we also need to see support for capacity building at the local authority level across the country, as well as in the courts.

We will be providing more information for members as these measures are taken forward.

For further info email [policy\\_practice@cih.org](mailto:policy_practice@cih.org).

