

Corporate Policy and Resources Committee



Date of meeting: 24 March 2025

Title	Renters Rights Bill
Purpose of the report	To note
Report Authors	Fidelma Bahoshy, Joint Senior Environmental Health Manager Heather Morgan, Group Head Place Protection and Prosperity
Ward(s) Affected	All Wards
Exempt	No
Exemption Reason	n/a
Corporate Priority	Community Addressing Housing Need Services
Recommendations	Committee is asked to be aware of this Bill and its implications.
Reason for Recommendation	Not applicable

1. Summary of the report

What is the situation	Why we want to do something
<ul style="list-style-type: none">The Renters Rights Bill is currently going through the parliamentary process and is likely to become law later this year.	<ul style="list-style-type: none">This Bill is the biggest change to housing legislation in 40 years and it is important that Councillors are aware of the proposed changes.
This is what we want to do about it	These are the next steps
<ul style="list-style-type: none">We wish to make Councillors aware of the contents of this Bill and its implications for our residents and service delivery.	<ul style="list-style-type: none">At this stage this report is to inform, however once the Bill receives Royal Assent and a timescale for implementation is available, a further report will come to committee setting out additional resourcing requirements.

- 1.1 This report seeks to outline the key contents of the Renters Rights Bill and the considerations for Spelthorne in preparation for the Bill becoming law. The Bill aims to improve housing security for tenants, improve the quality of the

private rented sector housing stock and address inconsistencies with enforcement across England.

2. Key issues

- 2.1 There are four main parts to the Bill: Part 1 - Tenancy Reform, Part 2 - Residential Landlords, Part 3 – Decent Homes Standards and Part 4 Enforcement.

Part 1 – Tenancy Reform

- 2.2 One of the biggest changes proposed within the Bill is an end to Section 21 Notices (no fault evictions), with the intention that this will provide renters with more security and stability. This will apply to both new and existing tenancies and will be prioritised for implementation.
- 2.3 The Bill will strengthen rights for landlords to reclaim properties when necessary, ban fixed term tenancies, limit rent increases to once per year, end bidding wars (asking for, encouraging or accepting bids above the asking price will be prohibited) and landlords and letting agents will be prohibited from requiring or accepting any payment of rent before a tenancy agreement has been signed. In addition, a landlord will only be able to require up to one month's rent in the window between a tenancy agreement being signed and that tenancy beginning.
- 2.4 Every tenant will have the right to request a pet which a landlord cannot unreasonably refuse, however landlords will be able to require insurance covering pet damage. We have been advised that guidance will be produced to assist both tenants and landlords as to what is reasonable.
- 2.5 The Bill will make it illegal for landlords to discriminate against tenants who receive benefits or who have children when letting their property.

Part 2 – Residential Landlords

- 2.6 The Bill establishes a Private Rented Sector database. Landlords must register before advertising or letting property, with penalties for non-compliance. It will become a duty for Local Authorities to enforce the requirements placed on landlords to populate and update the database.
- There is limited information available yet as to how this will work in practice. There has been some discussion that the fees for this database will be partially shared with the relevant Local Authority.
- 2.7 The Bill establishes a Private Sector Landlord Ombudsman. All private landlords in England with assured or regulated tenancies will be required by law to join a new PRS Landlord Ombudsman. Tenants will be able to use the service for free to complain about a landlord's actions or behaviours. It will offer fair, impartial and binding resolution for tenants, and will have powers to compel landlords to issue an apology, provide information, take remedial action, and/or pay compensation.

Part 3 – Decent Homes Standards (DHS)

- 2.8 The Bill will allow regulations to be made setting out DHS requirements for private rented sector homes. Currently the DHS only applies to social housing. 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, will be set out in a consultation planned for early 2025. We are awaiting further information on this.
- 2.9 The Bill will extend Awaab's Law to privately rented homes and not just social housing. All private landlords will have to meet Awaab's Law requirements. There is not an enforcement expectation for LAs in regards to this.
- 2.10 Awaab's Law will come into force for the social housing sector from October 2025 and will be phased in. From October 2025 social landlords will be required to address damp and mould hazards that present a significant risk of harm to tenants, within fixed timescales. They will also have to address all emergency repairs, whether they relate to damp and mould or any other hazard, as soon as possible and within no longer than 24 hours.
- 2.11 In 2026, the requirements will expand to apply to a wider range of hazards - expected to include; excess cold and excess heat, falls, structural collapse, fire, electrical and explosions, hygiene hazards. In 2027, the requirements of Awaab's Law will expand to apply to the remaining hazards defined by the Housing Health and Safety Rating System (HHSRS) (excluding overcrowding).

Part 4 – Enforcement

- 2.12 The reforms are to be underpinned by an effective, consistent and proportionate enforcement framework and one of the key changes brought by the Bill will be the duty on Local Authorities to enforce.
- 2.13 We will be able to issue civil penalties against landlords who fail to comply with the reforms. First or minor non-compliance will incur a civil penalty of up to £7,000 and serious or repeat non-compliance a civil penalty of up to £40,000.
- 2.14 The Bill provides councils with a range of new investigatory powers.
- 2.15 It also introduces measures to strengthen rent repayment orders (RROs), making them easier and more appealing for tenants and local authorities to pursue. This includes expanding RROs to cover more of the sector, including superior landlords and company directors, and doubling the maximum amount of rent a landlord can be ordered to pay from 12 to 24 months and extending the period in which a tenant or local council can apply for a RRO after the offence from 12 to 24 months.
- 2.16 We will have duty to investigate illegal evictions. It will not be sufficient to advise a tenant to speak to Citizen Advice Bureau.
- 2.17 The expectation will be for LAs to use their powers and take enforcement action where appropriate. Central government will require reports on our enforcement activity. It is likely that a voluntary return will be due for this year and statutory for subsequent years. More information to come on what information they will request and this will determine whether changes will be required to our database.

3. Options analysis and proposal

3.1 Timeline

The Bill was laid before Parliament in September 2024 and cleared the House of Commons on 15 January 2025. It went for its first reading in the House of Lords on 16 January with the second reading on 4 February 2025. The Committee Stage is likely to take place in March with Royal Assent

anticipated in late Spring 2025. The initial commencement date was proposed for Summer 2025 but October 2025 has also been mentioned as a backstop.

Part 1 and Part 4 will be prioritised for implementation.

3.2 Although there are still some steps to go before the Bill becomes an Act, we can be certain of a number of things:

- The Government has a very large majority and this Bill was a key part of their Manifesto commitments. They have already been ruthless in dismissing Amendments, and we can expect the Bill to be largely intact when it receives Royal Assent.
- We can expect a very early implementation of Part 1 (tenancy reform) and 4 (enforcement), and an expectation on Councils that we will get on with enforcing the commitments on eviction and tenant security straight away and using the new powers to do this without delay.
- Coupled with the Government's determination to meet their election promises, there is a significant expectation, from the voluntary and not for profit sector organisations who support tenants, that Councils will universally use their new powers, and fulfil their new obligations, from Day One.

4. Financial management comments

4.1 We can expect:

- New Burdens Funding to arrive in 2025/26, and potentially 2026/27, to fund the preparations and initial growth to meet the new duties. It is likely that this will come in a highly specified Section 31 grant. Details of this will not be made available until the Bill has completed the parliament process.
- Provision for significant financial penalties for people breaching the provisions of the Act, which will be ring fenced for use in enforcing the Act or sent to the Government if not used for that purpose. LA's have raised concerns that this income may be problematic to manage as it will not normally arrive within the same financial year as it is levied.
- Provision for funding for our enforcement duties at a later date from a portion of the Database registration fees being passed over to us by the Database provider. Still waiting for details on this.

5. Risk management comments

5.1 There are a number of points we need to consider as an authority:

5.2 Debt Recovery – clear processes need to be in place for ensuring that penalty fines are paid and where they are not that this followed-up. Civil penalties can act as a deterrent and improve compliance, and therefore it is essential that as an Authority we follow through on collecting fines. It is particularly important that this income is followed-up as it will be a source of funding for the team's work.

5.3 Legal Team – there will need to be capacity and expertise to support investigation and further enforcement.

- 5.4 Resourcing – there will be massive demand for competent staff, this is a sector already struggling. LAs will likely be competing with each other. There is a significant risk that we will not be able to recruit and retain officers with the right competency.
- 5.5 Impact on Housing Options Team – there is a possibility that landlords will leave the market due to this Bill resulting in fewer properties being available and impacting Housing Option teams.
- 5.6 IT system – the details of the statutory return are not yet available however there may be changes necessary to our database to ensure that we can record and provide the required information.
- 6. Procurement comments**
- 6.1 There is no procurement issues associated with this report.
- 7. Legal comments**
- 7.1 Consult in **every case** with Legal Team (G.legal@spelthorne.gov.uk) and either refer to issues raised elsewhere in your report or detail them here.
- 8. Other considerations**
- 8.1 Please see comments under Section 5.
- 9. Equality and Diversity**
- 9.1 This report has no impact on equality or diversity issues and is to inform only.
- 10. Sustainability/Climate Change Implications**
- This report has no impact on sustainability or climate change issues and is to inform only.
- 11. Timetable for implementation**
- 11.1 The exact timeline for the implementation of the Bill has not yet been determined.
- 12. Contact**
- 12.1 Fidelma Bahoshy – f.bahoshy@spelthorne.gov.uk

Please submit any material questions to the Committee Chair and Officer Contact by two days in advance of the meeting.

Background papers: There are none.

Appendices:

List as Appendix A, B etc with a short description of each.

Appendix A – Information about the Bill presented to Strategic Housing Group on 5 March 2025