

UNISON Briefing: White Paper: A fairer private rented sector

AUGUST 2022

INTRODUCTION

The Government's long-awaited White Paper on reforming the Private Rented Sector: "**A fairer private rented sector**" was published in June 2022. This sets out proposals that will be included in the Renters' Reform Bill and the Government's vision for the Private Rented Sector in England.

The White Paper comes after three Queen's Speeches and includes a wide range of measures to improve stability, accountability and safety in private renting. It outlines a single new tenancy structure designed to ensure both landlords and tenants know and understand their rights and responsibilities. Central to the proposals are plans to abolish Section 21, also known as "no-fault" evictions, whereby a landlord can at the end of a tenant's lease term choose not to extend it without giving any reason. UNISON has long campaigned for the scrapping of Section 21, to make renting more stable and secure.

The Government says the proposals "*will address the power imbalance between landlords and tenants and empower them to "challenge poor practice and unjustified rent increases, as well as encourage landlords to engage and resolve issues"*.

BACKGROUND

The Private Rented Sector (PRS) in England is a major provider of housing due to the under-availability of both social housing and affordable mortgages. It makes up 20% of the housing sector, housing over 11 million people, after owner-occupiers (63%), with the social rented sector now the smallest sector - making up just 17% of households. Therefore, choice and quality of accommodation are more limited, and costs are higher.

For a growing number of our members who are public service workers, the PRS is their only housing option and it can become more difficult to put down roots and save for a deposit due to high costs, insecurity and instability of private renting, where tenancies are typically for six to twelve months with no security of tenure beyond that. Private rented housing is also more likely to be of poorer quality and likely to pose a health and safety risk than other tenures due to rogue landlords who fail to maintain homes well.

UNISON's 2018 [report](#), "[Nothing going on but the rent: the housing cost for public service workers in England](#)", found that in the majority of English Regions, rental costs are more than a third of workers' monthly wage which is deemed to be unaffordable.

UNISON has called for reforms to make renting safer, stable and affordable, to improve the quality of life of tenants. They include longer notice periods; the scrapping of Section 21 "no-fault evictions" to stop landlords evicting tenants at their whim; measures to improve the quality and affordability of rental homes; a new tenancy model which is open-ended, has no fixed term or time limits, and offers greater security to tenants so they can have a home for the long term

as long as they adhere to the terms of their tenancy – as well as safeguards for landlords – as set out in our [housing manifesto](#) .

WHITE PAPER: A FAIRER PRIVATE RENTED SECTOR – PROPOSALS

The Government's White Paper contains key proposals to:

- *Abolish Section 21 'no-fault' evictions and introduce a simpler tenancy structure*
- *Limit rent increases to once a year, maximum*
- *Apply the Decent Homes Standard to the PRS for the first time*
- *Introduce a Housing ombudsman covering all PRS landlords and providing redress for tenants*
- *Introduce a new Property Portal to help landlords understand their obligations*
- *Introduce ban blanket bans against benefit claimants*

Abolish Section 21, New Tenancy System and Strengthened Grounds for Eviction

The White Paper outlines proposals to abolish Section 21 (“no-fault” evictions), which UNISON welcomes. Section 21 is unfair as it gives landlords the ability to end the tenancy without needing to give a reason, and simply issuing a two-month notice. This is one of the biggest causes of homelessness in England.

UNISON has consistently opposed Section 21. The policy has created instability in private renting and made it difficult for tenants to highlight problems to their landlords about their tenancy or ask for repairs to be done for fear of retaliatory evictions. This has made tenants powerless and fearful to enforce their limited rights, creating a power imbalance between landlords and tenants. While many landlords are effective and efficient in maintaining their rental properties, in compliance with the law, there are some who for far too long have used Section 21 as a “back door” to evict tenants when they want to hike the rent, refuse to carry out repairs or recover their properties.

The scrapping of Section 21 will create indefinite tenancies by moving tenants with an assured or assured shorthold tenancy to a single system of ‘periodic tenancies’ for private tenants. This will give tenants greater security and stability. Periodic tenancies can be ended by a tenant or by a landlord by giving a valid notice of at least two months. This means landlords will no longer be able to evict tenants without giving any reason, as they will have to prove grounds to evict tenants as stipulated by law. The proposals will offer tenants the flexibility to move out by giving two months’ notice without penalty if the property is of poor quality or when their circumstances change – for example, if their family has expanded or they need to move away due to work.

- **Rent arrears/anti-social behaviour**

There are also proposals to strengthen grounds around persistent rent arrears and anti-social behaviour, with much shorter notices given for those who commit anti-social behaviour.

- **Selling or moving family in property**

The proposals include new grounds for possession, which will allow landlords to evict tenants when they plan to sell the property or move family members in – after six months tenancy – which landlords will have to prove before a court can issue an eviction order. Landlords will be banned from re-letting the property after three months. These specific new grounds will give landlords flexibility when they need to recover their property. However, they will also cause uncertainty for tenants who could find themselves being evicted – and their lives being disrupted, simply because the landlord wants to sell the property. Currently, in England over 60% of evictions arise from the landlord selling or moving back in. The new

grounds will likely normalise this practice and lead to people being evicted by the “back door” with no protection from eviction at short notice, as [research into evictions on the Scottish tenancy system has shown](#).

UNISON wants to see stronger penalties to help minimise the upheaval of a move on tenants’ lives. Landlords who want to sell or move their family back in to their property should be subjected to a higher burden of proof. This could include providing evidence of a landlord’s plans to sell their property. Landlords wishing to sell should be required to financially compensate tenants who are forced to move through no fault of their own. This will help tenants to meet the costs of moving without getting into debt and ease the stress and worry of moving. We would also welcome reforms which encourage landlords to sell tenanted properties to minimise disruption to tenants.

UNISON would also like to see longer notice periods of at least three months for tenants who have to move out through no fault of their own. This will give them enough time to find suitable and alternative accommodation.

Limiting Rent Increases

Proposals to scrap fixed-term tenancies will also herald an end to automatic rent increases (rent review clauses) in tenancy contracts, and limit this to once a year. This means landlords will only be able to increase the rent by using “Section 13” a maximum of once a year, which can be challenged at a first-tier tribunal. Landlords will be required to give tenants two months’ notice (up from one) if they want to raise the rent. Decisions on cases which go to tribunal will be based on the going market rental rate, though a tenant will not be required to pay more than what is asked of them by their landlord. The reforms will improve tenants’ ability to negotiate rent with their landlord or challenge excessive rent rises without the fear of being evicted. This is welcome and will make it difficult for landlords to raise rents frequently, if plans become law. However, the exponential increase in rents since 2015 means that rents will remain high and some landlords may take advantage of charging a higher rent – which could force tenants out as a consequence.

Private renters are more exposed to the cost of living crisis due to soaring and un-regulated rents and energy bills, leaving many struggling to meet housing costs and put food ‘on the table’.

The proposals do not adequately address affordability, which will continue to remain a problem in the PRS. This is particularly the case in areas where the housing market is heated, pricing many public sector workers further away from their places of work. UNISON’s 2020 Housing survey found that 27.8% of respondents said housing costs were making them look elsewhere to live and work, a figure that rose to 48.2% for health workers in the PRS. Yet, there are no concrete plans to protect tenants from unpredictable and excessive rent increases.

UNISON would like to see proposals on rent capping or controls as found in many industrialised countries like Germany. We want to see rent rises capped to the Consumer Price Index (CPI) to stabilise rent levels and to encourage landlords to set initial rent levels to those that households can afford, as outlined in our [housing manifesto](#).

UNISON would also like to see restrictions on the use of “Section 13” to raise the rent if landlords fail to comply with regulations to maintain homes to minimum standards for private tenants.

Decent Homes Standard

The White Paper outlines plans to introduce the Decent Homes Standard for the first time to the PRS. Currently, this applies only to the Social Housing Sector. The Standard sets minimum standards that landlords need to comply with, and penalties for those who don't. The Decent Homes Standard requires social homes to be free of health and safety hazards that pose a risk to residents, to be in a reasonable state of repair, to have reasonably modern facilities and services such as kitchens and bathrooms and efficient heating and effective insulation. The proposals also include a new right to claim back rent on homes which are poorly maintained through expanded Rent Repayment Orders (RROs).

UNISON has long called for the standard to be extended to the PRS, given that the sector is generally poorly maintained compared to the social housing sector. UNISON's [housing survey](#) found that properties in the PRS are generally poorly maintained: 100% of respondents reported that their private sector landlord was not up to scratch with repairs. A recent survey from Shelter and YouGov (published in June 2022) revealed that "three quarters of private renters in England (about 8.5m people) "have endured dangerous conditions in their homes, such mould, broken boilers and electrical hazards in the last year".

Extending the standard will improve regulation in the PRS and mean that private landlords, along with social landlords, will be legally obligated to adhere to this. The standard will help deter rogue landlords and improve housing conditions for renters who deserve to live in decent, safe and warm homes, as outlined in our [housing manifesto](#).

Housing Ombudsman

The White Paper includes measures to introduce a new Housing Ombudsman for the PRS which allows for tenants to seek redress on complaints. This will require all PRS landlords to join regardless of whether they use a management or letting agent. Private tenants will be able to seek free redress from the Ombudsman and hold their landlord to account on complaints about their behaviour, repairs or the condition of the property, if they fail to meet their legal obligations in maintaining their property or carrying out repairs.

The Ombudsman will be empowered to require landlords to award compensation to the tenant, issue an apology or provide information, require remedial works, issue fines of up to £25,000 or ban a landlord from operation.

Similar to plans set out in the [Social Housing Regulation Bill](#), the new Ombudsman for the PRS will be allowed to "name and shame" private landlords who breach the rules or fail to maintain their properties to a good standard.

UNISON welcomes proposals to introduce a Housing Ombudsman with "teeth" which will give tenants access to an improved redress system. Currently, a two-tier system of complaints exists where tenants are only able to submit cases to a redress system if they rent via a letting agency and not if they rent directly from the landlord, this is not good enough. A direct approach from tenants to a single Ombudsman will go some way to providing an objective service to tenants who are in a dispute situation with their landlord and are seeking to resolve recurring housing problems or a complaint.

Digital Property Portal – Register of Landlords

UNISON welcomes plans to introduce a Digital Property Portal or national register. The Government will make it a legal requirement for landlords to join the portal or be registered. The

Property Portal will provide vital information about rental properties and their landlords to tenants and councils, including information such as banning orders and fines and any landlord convictions. It will set out legal requirements which landlords will have to comply with or be subjected to enforcement action by councils.

UNISON believes that private tenants in England deserve a high quality professional service from landlords, on par with services received from other industries including finance, energy and retail. We have long campaigned for a mandatory registration scheme that sets out minimum standards of letting and managing properties, and standards of landlord accreditation which will require landlords to be registered, as is the case in Scotland, Wales and Northern Ireland.

We are pleased that the proposals will ensure that both tenants and landlords will be aware of their rights and obligations. Tenants will be able to access the information held on the Property Portal and make informed decisions about their rental options.

The proposals will also seek to strengthen council enforcement powers, to make it easier for council enforcement teams to use the Property Portal to deter, detect and take action against rogue landlords who breach compliance rules. This will help make renting safer for tenants and also drive up standards.

UNISON would like to see tougher penalties for landlords who fail to join the Portal enforced by councils. Tenants should also be able to take action if their landlord is not registered. Currently, tenants can receive rental payments through Rent Repayment Orders if their landlord is not licensed or is not registered to operate licensing schemes in their local area.

UNISON would also like to see more staff resources and investment in council enforcement teams, which currently face severe budget constraints. Without such investment, it will be difficult for councils to utilise enhanced enforcement powers to regulate the PRS and hold poorly performing landlords to account.

Blanket bans against benefit claimants to be outlawed

The White Paper outlines proposals to outlaw blanket bans on renting homes to benefit claimants. For years, many people in receipt of benefits have been discriminated against when it comes to accessing rental properties in the PRS. Policies or blanket bans by landlords and letting agents such as “no DSS” have disproportionately affected women and disabled people, including those with children, as they are more likely (about 40%) to be in receipt of Universal Credit or housing benefit. These policies have become normalised in the PRS due to landlords fearing that welfare benefits are inadequate to cover rent.

The issue of benefit discrimination is one UNISON and housing campaigners, including Shelter, have campaigned against, and so we are pleased that the Government has recognised this unfair discrimination and is seeking to take action to address this. It is also important that the Government takes action to address excessive rents and rent increases through a system of rent controls, to ensure that rent levels are stabilised and are affordable to all income groups.

Right to have a pet

For many people, having a pet makes a home peaceful and happy. The White Paper sets out new proposals which will give tenants the right to request to have a pet, which landlords must consider and cannot unreasonably refuse. If landlords refuse this request, tenants can

challenge it. However, this might come at a cost if the Tenants Fees Act is amended and/or if the landlord is allowed to request the tenant to take out pet insurance.

CONCLUSION

UNISON welcomes proposals in the White Paper which seek to introduce a simplified and effective regulatory private rental system, where tenants and landlords know their rights and responsibilities. The proposals will provide safeguards for landlords against unruly tenants and when they need to recover the properties. They will also offer tenants greater security, rights and protections, empowering them to challenge poor practice by their landlord.

People want to live in safe, decent and affordable homes where they can put down roots and plan their lives. Proposals including the Decent Homes Standard, Property Portal, new Housing Ombudsman and improved redress systems as well as tougher enforcement powers for councils are welcome and will help drive up standards and quality in private renting.

It is time for the UK Government to deliver on its promises by bringing the proposals into law to transform the private rental system in England. The proposals also need to include measures to address housing affordability to stop landlords from raising rents exponentially. The reforms, once they become law, will help make private renting a secure and affordable option for people – especially at a time when social housing is in decline and homeownership is out of reach for many.

UNISON Members can:

- Share this briefing with UNISON members
- Access the White Paper: A Fairer Private Rented Sector here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/108338/1/A_fairer_private_rented_sector_print.pdf
- Feedback reforms you would like UNISON to lobby for by emailing: policy@unison.co.uk

For more information contact:

Email: policy@unison.co.uk

UNISON Housing resources:

UNISON Housing Website: <https://www.unison.org.uk/at-work/community/key-issues/housing/>

UNISON Housing manifesto: <https://www.unison.org.uk/content/uploads/2020/01/UNISON-Housing-Manifesto-JANUARY-2020-FINAL.pdf>