

Westminster Hall Debate:

"Potential merits of ending Section 21 evictions" Tuesday, 25 October 2022

UNISON Briefing

October 2022

1. INTRODUCTION

UNISON is the largest public service trade union in the UK, with over 1.3 million members. Our members include frontline staff and managers working full or part-time in public services and for private contractors providing public services. They provide a range of essential public services working in local authorities, the NHS, colleges and schools, the police service, the utilities (electricity, gas and water industries), transport and the community and voluntary sector, including housing associations.

Many of our members are directly affected by Government housing policy as tenants or residents. We welcome the opportunity to have a say on housing policy, in particular how Section 21 "no-fault" evictions have created instability in the sector, and how ending this will bring many benefits and provide much needed stability and security for private tenants in England.

2. BACKGROUND

The Housing Act 1988 abolished the system of Fair Rents and created Assured and Assured Shorthold Tenancies (ASTs) in renting, which became the default tenancy framework.

Under Section 21 of the Act, private tenants with Assured Shorthold Tenancies (of typically between six and twelve months security) can be evicted from their home by their landlord at short notice, without any reason, through no fault of their own, after the fixed term of their tenancy has ended, effectively guaranteeing no security of tenure for tenants with ASTs.

For far too long, private tenants in England have had a bad rental deal. UNISON has consistently opposed Section 21 and the concept of no-fault evictions. This is one of the biggest causes of homelessness in England. With 80% of homelessness being caused by insecure tenancies and termination of a tenancy, there is an urgent need to overhaul the tenancy regime in England to ensure that renters are protected from unwanted moves and homelessness.

A majority of UNISON members, who provide our essential services, are forced to acquire accommodation from the Private Rented Sector (PRS) due to the shortage of social housing and being unable to afford to purchase a home. As with other PRS tenants, they risk being trapped in a cycle of insecure, expensive, short-term lets in substandard non-decent housing, with limited protections and less power to enforce their rights. Due to the insecurity of the PRS, it has become more difficult for tenants to put down roots and save for a house deposit. With no extended security of tenure and no controls over rent increases in the PRS, hard-working citizens are struggling to afford high rents, forcing many to live further away from their jobs as well as spend a lot of time and money commuting.

Private tenants need protection, just like their counterparts in Scotland, where Section 21 evictions were banned in 2016. Their predicament is being exacerbated by the current cost of living crisis and economic turmoil, which has seen soaring rents, interest rates, energy and household bills, leaving many struggling with their housing costs, facing the risk of eviction and homelessness.

3. WHY SECTION 21 "NO-FAULT EVICTIONS" NEED TO BE BANNED

UNISON believes that Section 21 is unfair and should be abolished immediately.

Section 21 gives landlords the ability to end the tenancy without any reason, and simply issue the notice that gives tenants two months to vacate the property. 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 creates a tangible power imbalance between tenants and landlords, with tenants deterred from enforcing their limited rights.

Whilst there are many ethical and conscientious landlords who manage and maintain their rental properties correctly, in compliance with the law, there are some landlords who have, for many years, used Section 21 notices as a "back door" to evict tenants when they want to raise the rent, often coupled with refusing or delaying essential repairs. As a result, homelessness continues to increase. Government figures show that there has been an increase in homelessness with nearly 20,000 households made homeless in England in 2021/2022 due to Section 21. This is up from about 9,000 the previous financial year.

4. A NEW DEAL FOR RENTING

UNISON has long called for a new deal for renting to improve the quality of life of private tenants. We welcomed the <u>Government's proposals to transform the PRS</u>, outlined in the <u>White Paper:</u> A fairer private rented sector. Many of the key proposals are aligned to our <u>housing manifesto</u>, which outlines reforms that we believe will make private renting secure, stable and affordable. They include, among others, longer notice periods for private tenants; 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; and a new tenancy model which is open-ended, has no fixed term or time limits, and offers greater security to tenants – as well as safeguards for landlords.

These reforms are based on the Scottish Private Residential Tenancy (SPRT) introduced into law in 2016. This abolished Section 21 and introduced open-ended tenancies. This positive change means that tenants in Scotland are offered permanent tenancies which allow them to stay in their home for as long as they want, if they adhere to the terms of their tenancy. They also have the flexibility to move early, if their circumstances change so that they are not locked into private rental contracts in homes that they find are not suitable for them.

Research by Shelter concluded that private tenants in Scotland are benefiting from the greater security provided to them on the SPRT. It found that private tenants in Scotland on the SPRT: "worry less about becoming homeless; worry less about getting locked into inflexible fixed term tenancies; and have more faith that their elected representatives have their interests at heart".

UNISON believes that offering private tenants secure, permanent tenancies will help address the power imbalance between landlords and tenants, by empowering tenants to challenge poor practice by their landlord without fear of retaliatory eviction. Having an improved tenancy system will also ensure that both landlords and tenants know and understand their rights and

responsibilities; and also provide safeguards for landlords and when they need to recover properties against unruly tenants.

Secure tenancies will also help to improve the wellbeing of tenants and help minimise the stress and expense of unwanted, unnecessary moves. Furthermore, it will help increase tenant's pride in their home, as they will have the flexibility to stay in their home for the longer term and take better care of the home. There are also potential benefits for landlords. For example, there will be less risk of void periods and landlords will be able to generate a steady, predictable rental income, which overtime will make the landlord's business more efficient.

Before the SPRT was introduced in Scotland private landlords warned that the abolition of Section 21 would "kill the private rented sector"; "that many landlords would leave the sector"; and that "open-ended tenancies would drive homelessness", but these have not been borne out, according to Shelter. In England private landlords are putting forward the same arguments. But if they look to Scotland, where the size of the private rented sector is comparable to England, they will find that the introduction of the Scottish PRT has not brought about any major changes to the size of the rental market.

4. CONCLUSION

People want stability in their lives. They want to be able to plan for themselves and their families and that means knowing that they have security about where they live, that they won't suddenly be forced to move because they can't afford the rent increase or suddenly find that their landlord wants them to leave.

However, with Section 21 still in place, this continues to be the biggest cause of homelessness and needs to be scrapped. That is why UNISON, alongside housing campaigners, will continue to call for a new deal for renting which provides private tenants with improved rights, protections, security and stability that they deserve.

UNISON'S KEY ASKS

- Abolish Section 21 "no-fault evictions" immediately.
- Redress the power imbalance between landlords and tenants by legislating to create secure tenancies (permanent tenancies) in line with Scotland.
- Introduce a system of rent controls to protect private tenants from unpredictable, extortionate rent increases.
- Empower tenants to have a strong voice at local, landlord and national level.

For further information about this briefing or to contact UNISON:

Contact: Sylvia Jones, Assistant Policy Officer or James Bull, Assistant National Officer UNISON, Policy and Public Affairs Department, 130 Euston Road, London NW1 2AY Email: policy@unison.co.uk

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

UNISON Briefing: White Paper – A fairer private rented sector

https://www.unison.org.uk/content/uploads/2022/09/UNISON-Briefing-White-Paper-A-fairer-private-rented-sector-Final.pdf

UNISON Report: A decent place to live: Homes fit for key workers:

https://www.unison.org.uk/content/uploads/2021/07/A-decent-place-to-live-updated.pdf

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