



## All Party Parliamentary Group for the Private Rented Sector Improving Enforcement in the Private Rented Sector

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Wednesday 15<sup>th</sup> May 2024, 2pm  
Meeting Room T, Portcullis House and via Teams

### *Attending in Person*

**Parliamentarians:** Andrew Lewer MBE MP (Chair); Baroness Warwick of Undercliffe; Derek Thomas MP; Lloyd Russell-Moyle MP (Vice Chair); Lord Best of Godmanstone; Lord Carrington; Lord Haselhurst of Saffron Walden; and Sir Stephen Timms MP

**Parliamentary staff:** Hadley Wells-West (Office of Andrew Lewer MP); Thomas Carter (Office of Janey Daby MP)

**Secretariat:** Ed Jacobs (Consultant to the NRLA)

**Speakers:** Al Mcclenahan (Local Authority Outreach Lead, Justice for Tenants); Ben Beadle (Chief Executive, National Residential Landlords Association); Janet Wade (Partnership and Development Officer at the London Borough of Camden who is speaking as a member of the Chartered Institute of Environmental Health's Housing Advisory Panel)

**Others:** Cameron Neilson (Rent Repayment Orders and Advocacy Lead, Justice for Tenants); Conor O'Shea (Policy and Public Affairs Manager, Generation Rent); Elliot Gregory (Public Affairs and Campaigns Advisor, Local Government Association); Gaelan Komen (Policy Manager for Health, Policy Connect); Isobel Parkes (Local Government Association); John Bibby (Principal Housing Strategy for the Private Rented Sector, Greater Manchester Combined Authority); Katie Rice (Parliamentary and Government Relations Manager, Greater Manchester Combined Authority); Melora Jezierska (DLUHC); Patrick Owen (DLUHC); Richard Grocott (Acquisitions and Public Affairs, Grainger); Theresa Wallace (Chair, The Lettings Industry Council); Tim Thomas (Policy and Campaigns Officer, PropertyMark); Xavier McNally (Social Science Fellow, Parliamentary Office of Science and Technology)

### *Attending via Teams*

**Others:** Georgina Brightwell (Housing Policy Adviser, Local Government Association); Harry Flanagan (Senior Legal Adviser, CLA); Ian Fletcher (Director of Policy, Real Estate, BPF); Jane Cox (Nationwide Foundation); Jenny Lamb (PRS Enforcement Policy Lead, Shelter); Joanna Dabrowska (Office of Andrew Lewer MP); Joshua Davies (Programme Manager for Transforming the Private Rented Sector, Nationwide Foundation); Kulsum Mohmed (Greater London Authority); Sam Lister (Policy and Practice Officer, Chartered Institute of Housing); Vicky Pearlman (Housing Policy Manager for the Private Rented Sector, Greater London Authority)

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## **Improving Enforcement in the Private Rented Sector**

### **Ben Beadle - Chief Executive of the National Residential Landlords Association**

- There are plenty of rules and regulations affecting the private rented sector, with more to come in the Renters (Reform) Bill. What is needed is proper enforcement of them.
- We all want to root bad landlords out of the sector, and tenants deserve to be living in decent and safe housing.
- Councils need to be properly funded and supported to improve enforcement activity.
- NRLA research has found that between 2021 and 2023, £13 million worth of civil penalties were issued to private landlords in England, but just £6 million was collected.
- Good landlords are frustrated by this. In as much as it's easy to collect licensing fees from them, whilst the bad landlords are not having the fines collected from them properly.
- 49% of councils said they had not issued any civil penalties over the two-year period, whilst 69% had issued just five or fewer.
- NRLA research has found that in Liverpool, it would take almost 150 years to process applications for its landlord licensing scheme.
- New regulations in the Bill run the risk of failing if they are not properly enforced.

### **Janet Wade - Member of the Chartered Institute of Environmental Health's Housing Advisory Panel**

- CIEH generally welcomes much of what is in the Renters (Reform) Bill.
- The planned Property Portal will support existing licensing schemes and proactive engagement with landlords.
- Licensing is an effective enforcement tool in the private rented sector, enabling proactive activity to take place. It's much more than a simple register.
- There are often complex chains of lets and sub-lets, financial arrangements and companies which take significant resources to unravel and pursue through the courts.
- Tribunal appeals are very time consuming with virtually no risk to the landlord in terms of cost or outcome. Councils have experienced inconsistencies in processes and decisions.
- Prosecutions are also very resource intensive and dependent on good legal support. A lack of sentencing guidelines leads to very uncertain outcomes.
- Smaller landlords make up about 50% of the sector, and they are generally amateurs who are not always aware of their legal responsibilities, relying on councils to provide this.
- Whilst the Property Portal will help, data on the PRS is difficult to access.
- Local authorities are under resourced and struggling to enforce existing regulations. Research in 2017 found there are just over 2 Environmental Health Practitioners (EHPs) for every 10,000 private rented dwellings, and newer research suggests this is about half of what is needed. More work is needed to establish an effective ratio.
- Local authorities are working with half the funding they were 10 years ago. A lack of sustainable and consistent funding streams means that many do not have the financial resources to recruit more staff.
- The recovery of civil penalties charged to landlords can be problematic. Some councils report a recovery rate of less than 50%.
- Whilst licensing can provide a sustainable and predictable funding stream, licensing fees are ringfenced to administer and enforce such schemes.
- Councils should receive funding for enforcement based on the number of PRS dwellings registered in the area they cover.



- Proposed changes in the Bill will lead to a significant increase in enforcement burdens on councils.
- Due to the national shortage of qualified EHPs, local authorities struggle to recruit enforcement staff and changes to legislation will lead to extra costs associated with training. This also applies to trading standards and tenancy relations officers.
- Concerns about the additional burden on councils regarding the enforcement of failing to register on the property portal and with the Ombudsman. This will include non-payment and the provision of false or incorrect information.
- The Bill also adds additional requirements for reporting which, however welcome, will also mean IT systems will have to be developed.
- The Bill should amend the Housing Act 2004 to enable councils to include conditions to improve property conditions on selective licences.
- As discretionary licensing schemes are expensive and time consuming for local authorities to introduce and renew, the general approval for schemes to be reinstated instead of the current requirement for schemes covering more than 20% of the local authority area to be approved by the Secretary of State.
- The maximum duration of licensing schemes should be changed from 5 to 10 years.
- There is also a need for the complex range of tools, powers and standards legislation related to the sector to be consolidated to provide clarity for tenants and landlords and make it easier for councils to take enforcement action.
- Local authorities are unsure about how the proposed Decent Homes Standard will fit in with Housing Health and Safety Rating System (HHSRS) and the other standards and what this will mean in terms of additional resources.
- The results of the Government's review of the HHSRS should be published.
- National guidance for councils will be needed in respect of the Bill to ensure each council is not having to reinvent the wheel.
- The LACORS fire safety guidance issued in relation to houses in multiple occupation (HMO) needs to be updated as it nearly 20 years old.

#### **Al McClenahan - Local Authority Outreach Lead, Justice for Tenants**

- Whilst some councils used enforcement powers well and will be able to enforce the changes in the Bill, most struggle and will find it difficult to meet their new enforcement duties.
- There is no requirement for councils to report to central government on enforcement staff numbers and activity in relation to the private rented sector.
- Property licensing is a helpful tool. Councils with selective licensing schemes tend to be better at taking enforcement action because licensing can ensure property management standards are higher. It also enables councils to identify and target activity at the criminal elements in the sector.
- Applying for a selective licensing is costly and administratively very intense. He agreed with comments from Janet about the need for changes to the way councils can introduce licensing schemes and to extend the life of them to 10 years. This would, he said, enable better long-term planning, and lower the costs for landlords.
- The Rent Repayment Order regime needs to be changed since councils cannot use it to reclaim rents paid with housing benefit/Universal Credit because the Department for Work and Pensions does not share the data with local authorities. This data should be released to improve enforcement activity.



- In respect of civil penalties, they should be reinvested in enforcement activity, but some councils are diverting funds, unlawfully, to cover the costs of other activity. This needs to be addressed,
- There is a need for statutory guidance for councils setting out starting levels of penalties for different types of offences and should be targeted to support those councils struggling the most.
- Front loaded funding is needed for councils to enforce the provisions within the Bill.

### **Baroness Warwick of Undercliffe**

- How much of what has been raised has the Government actually taken on board?
- Has any of it been incorporated into the Bill?

### **Al Mcclenahan**

- A lot of the powers needed are already in the Bill, including the ability of the Government to require councils to report on enforcement activity.

### **Janet Wade**

- Reinforced the need for selective and additional licensing schemes to be extended from 5 to 10 years, and to enable such schemes to address issues around property conditions which current legislation prohibits.

### **Ben Beadle**

- Called for the detail to be published on the planned Decent Homes Standard for the sector.
- The Government's commitment to review how landlord licensing will work alongside the planned Property Portal is very important.

### **Lord Carrington**

- How does landlord licensing work alongside the Property Portal without 'double counting'?

### **Ben Beadle**

- That's the NRLA's point. The Portal will not be worth it if it doesn't give councils what they need to tackle poor standards and bad practice, and if tenants can't easily use it to identify properties, and landlords, that meet all their legal obligations. This is why a review of how the two will operate together is important.
- The portal needs to include information about properties, not just the landlord.

### **Janet Wade**

- The Property Portal, as a registration scheme, is very different to licensing which can lead to properties being inspected. However, information on the Portal will be really useful for councils in understanding the PRS in their area.



### **Al Mcclenahan**

- Understands that when a landlord applies for a licence the information will be uploaded on to the Portal and vice versa to prevent duplication.

### **Lloyd Russell-Moyle MP**

- The Portal is key going forward. There is more clarity needed about how it will work.
- There should be a duty on DLUHC and the Portal to 'speak' to local authorities and co-ordinate activity and efforts. For example, the results of licensing inspections should be uploaded onto the Portal. Likewise, the Portal should provide landlords with a central location to apply for selective and additional licensing.

### **Tim Thomas – PropertyMark**

- Many councils are operating in silos. Is there scope for greater collaboration between local authorities on licensing schemes, for example, to pool legal and enforcement staff? Could this also reduce the cost of licensing by ensuring greater economies of scale.

### **Janet Wade**

- Greater Manchester is looking to work towards a regionwide approach and the Greater London Authority is seeking to move in the same direction.
- Personally speaking, a nationwide mandatory licensing scheme for the sector is needed.
- Licensing is a strategic, pro-active approach to address poor practice and standards in the sector. Registration simply provides information.

### **Ben Beadle**

- Councils don't undertake activities such as gas or electrical safety checks on properties. They are undertaken by trained professionals, with the results of these included on the Property Portal.
- Given the pressures councils are under, there is no reason why a landlord should not be able to self-certify, or commission someone to do it for them, to confirm they, and their properties, meet all the required standards.

### **Janet Wade**

- Experience at the London Borough of Camden indicates 20% of electrical safety checks certificates are wrong – be it certificates completed wrong or being undertaken by underqualified people. More work needs to be done with the professional bodies to ensure confidence in certification.
- What is needed is more, and better trained, professionals to undertake checks of properties within local authorities.

### **Ben Beadle**

- It was important to be realistic about resourcing local authorities and ensuring that licencing schemes dovetail with the Property Portal and do not cause unnecessary



duplication. A more pragmatic approach to enforcement and the Portal would be required – it is impractical to think that local authorities will review every document.

### **Theresa Wallace - The Lettings Industry Council**

- The Property Portal is a huge opportunity for the sector and needs to be more than just a registration scheme.
- The Portal and licensing schemes need to be joined up, with a single criterion for all selective licensing schemes.
- Central gas and electrical safety check records are needed in digital format to be uploaded onto the Portal in much the same way that Energy Performance Certificates operate.

### **John Bibby – Greater Manchester Combined Authority**

- At present section 21 notices cannot be served in a range of circumstances, such as where a landlord has failed to provide tenants with a copy of the 'How to Rent' guide or providing a gas safety certificate at the start of a tenancy.
- Similar provisions should be applied to the replacement system in the Renters (Reform) Bill to provide an incentive to landlords to comply with their obligations.

### **Lord Carrington**

- The problem is that so much of what is in the Bill will be reliant on Statutory Instruments to get to the detail of how things will work in practice.

### **Sir Stephen Timms MP**

- The Department for Work and Pensions is reluctant to share housing benefit/universal credit data with local authorities with enforcement activity.

### **Lloyd Russell-Moyle MP**

- Rent Repayment Orders should always ensure money is paid back to the tenant, even where they might be wholly, or particularly, reliant on housing benefits.

### **Patrick Owen – DLUHC**

- The DWP is undertaking a pilot with Blackpool Councils to improve data sharing.

### **Jenny Lamb – Shelter**

- Whilst Shelter supports provisions in the Bill to tackle discrimination faced by benefit claimants and those with children, it is concerned that this will be difficult to enforce given that it would need to be proven that a landlord intended to discriminate against someone in such circumstances which the courts will likely struggle to do.



### **Ben Beadle**

- Landlords will often receive multiple applications for properties (an average of around 15 according to Zoopla). Provided they have a fair, and risk-based approach to selecting a suitable tenant, then it should be for the landlord to decide.
- It comes back to a lack of available properties.
- Landlords should be able to make a fair and reasoned decision based on the ability of a tenant to sustain a tenancy.

### **Gaelan Komen - Policy Connect**

- Provides the secretariat to the APPG for Carbon Monoxide.
- Raised concerns that the Decent Homes Standard doesn't go far enough to ensure the health of tenants in homes and questioned if the word 'health' needs to be included in the Bill.

### **Janet Wade**

- Environmental Health is essentially about public health and for the PRS, the link between housing and health. She emphasised the need for the consolidation of legislation so this can be achieved effectively.

### **Ben Beadle**

- The framework is there in terms of the Property Portal and the Decent Homes Standard, but the detail of how they will work is vital.

### **Melora Jezierska – DLUHC**

- Is working on the planned review of how licensing operates alongside the Property Portal and is happy to be contacted about this. Her email address is [Melora.Jezierska@levellingup.gov.uk](mailto:Melora.Jezierska@levellingup.gov.uk).