



Sector News Bulletin

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A service for the private rented sector Landlords and tenants.

SECTION 21 AND RENTERS REFORM BILL UPDATE

Controversial ban on Section 21 is postponed.

The Government has announced that the Section 21 'no-fault evictions' will not be scrapped until improvements have been made to the court system. Just before the bill's second reading and in a response from government to a report from the House of Commons Housing Select Committee, the government stated that "*the court's process would need to make "sufficient process" before Section 21 could be abolished*". The release of the response just days before the second reading appears to be a major concession at the end of the final working day before the Second Reading of the Renters Reform Bill.

Brief explanation on how bills are passed.

The procedure of passing a Public Bill can start in either the House of Commons or the House of Lords. The legislative procedure starts with the first reading which is just a formality in both Houses. The passing of The House debates the general principles of the bill at second reading, and amendments (proposed changes) at committee stage and report stage. The House decides whether to agree the bill at third reading. The bill then passes to the other House. The first House is asked to agree with amendments made by the second. Once both Houses are agreed, the bill receives Royal Assent and becomes law. There is no set time frame for passing a bill varies as each bill is treated as an individual case and will depend on the complexity, urgency and controversy of the bill.

What about the Renters (Reform) Bill

There is no official confirmed date by the Government when the Renters Reform Bill will become law. However, industry experts predict the Bill will come into force anytime from Summer 2024 – Autumn/Winter 2024.

The government announced in October 2023 that it will not proceed with abolishing section 21 "*until reforms to the justice system are in place*". It has further stated that they will only continue with abolishing section 21 when "*sufficient progress has been made to improve the courts.*" So, what are the current issues and what changes is the government proposing?

What are the current issues with the court's process?

A backlog of cases caused by the aftermath of the pandemic and budget cuts are suggested to be the biggest issues our court system faces leading to the government stating, "*the court system needs to improve*" and be "*smooth and efficient as possible*" to deal properly with disputes.

What needs to change?

The government has identified key areas that need to be addressed before Section 21 is abolished which are: -

- Digitising more of the court process to make it simpler and easier for people to use.
- Exploring how the courts can prioritise cases that involve anti-social behaviour
- Improving bailiff recruitment and retention.
- Providing early legal advice and better signposting to help tenants.
- Some have even suggested a separate "housing court" but this has been rejected so far.

What about the proposed Ombudsman?

The Renters (Reform) Bill outlines the creation of a new private renters' Ombudsman that all landlords must join to "*address the gap in housing redress in relation to private sector tenant complaints*". This will put an emphasis on strengthening the mediation process to reduce the cases going through the court system. Currently, there has been no definitive proposal on how the Ombudsman service will be delivered.

What happens next?

Following the debate of proposed amendments, the bill is current at the Report Stage and will then go through to its 3rd reading which is the final chance for the House to debate the contents of the Bill.

LOCAL HOUSING ALLOWANCE RATES TO RISE FROM APRIL 2024

It has recently been announced in the Chancellor's Autumn Statement that the Local Housing Allowance (LHA) rates in the UK will be raised to the 30th percentile of local markets rents from April 2024. The LHA rates which are used to calculate housing benefit for tenants renting from private landlords have been frozen since 2020 despite rising inflation and increasing rental prices.