

Public Accounts Committee

Oral evidence: Regulation of private renting, HC 996

Monday 31 January 2022

Ordered by the House of Commons to be published on 31 January 2022.

[Watch the meeting](#)

Members present: Dame Meg Hillier (Chair); Shaun Bailey; Dan Carden; Sir Geoffrey Clifton-Brown; Antony Higginbotham; Kate Osamor.

David Fairbrother, Treasury Officer of Accounts, HM Treasury, Adrian Jenner, Director of Parliamentary Relations, National Audit Office, Abdool Kara, Director, NAO, and Charles Nancarrow, Director, NAO, were in attendance.

Report by the Comptroller and Auditor General

Regulation of private renting (HC 863)

Questions 1-23

Witnesses

I: Ben Beadle, Chief Executive, National Residential Landlords Association; Anny Cullum, Strategic Development and Policy Officer, ACORN; Ruth Ehrlich, Policy Manager, Shelter; Tamara Sandoul, Policy and Campaigns Manager, Chartered Institute of Environmental Health.



Examination of witnesses

Witnesses: Ben Beadle, Anny Cullum, Ruth Ehrlich and Tamara Sandoul.

Chair: Welcome to the Public Accounts Committee on Monday 31 January 2022. We will look at the regulation of private rented housing. This has become a more significant issue in England, because in the past 20 years, the number of households in England living in private rented accommodation has approximately doubled, and the sector is facing a number of challenges. As well as the issues that private renters face, such as security of tenure, rent levels and so on, landlords have concerns about many issues, which we will hear about from our first panel. The Department for Levelling Up, Housing and Communities plans large-scale reforms, so this session is timely. We will talk to a panel from the Department later about how that is going and what reforms we might see.

We are delighted to welcome two panels. The first represents stakeholders—both tenants and landlords. Then we will question senior officials at the Department for Levelling Up, Housing and Communities in the second panel.

We welcome the witnesses on our first panel, who are all appearing virtually: Ruth Ehrlich, the Policy Manager for Shelter; Tamara Sandoul, the Policy and Campaigns Manager at the Chartered Institute of Environmental Health; Ben Beadle, the Chief Executive of the National Residential Landlords Association; and Anny Cullum, the Strategic Development and Policy Officer at ACORN, the union.

Before we open with questions, we have some declarations of interests by Members. I need to declare that I rent a private property. I am also a non-active member of the National Residential Landlords Association—I am not an activist, but a consumer member.

Sir Geoffrey Clifton-Brown: As declared in my entry in the Register of Members' Financial Interests, I own a buy-to-let property.

Shaun Bailey: I declare that I am a private renter.

Q1 **Chair:** Thank you. We have a later panel, and all of you on the first panel will be lobbying a lot on the changes coming through from Government. I thought it might be helpful if you each listed two things that you think would make the biggest difference for landlords and tenants in improving the regulation of the sector. To start, Ruth Ehrlich, please.

Ruth Ehrlich: This will be easy to condense into two. The two No. 1 priorities for us would be scrapping section 21 no-fault evictions, which act as a deterrent for renters who are trying to challenge disrepair in their properties. Renters have a significant chance of being evicted if they complain about disrepair to the local authority. In addition, we need to see better access to data in the private rented sector, which is a consumer market that we know very little about. As a result, we want a robust



HOUSE OF COMMONS

national landlord register, in which every single landlord in England has to register details of themselves, their property and rent levels, so that we can understand the sector better and ensure that local authorities can carry out proactive enforcement against those who are flouting the law.

Chair: Thank you very much for setting a good example with a good, crisp and clear answer, Ms Ehrlich.

Tamara Sandoul: Ruth has stolen the words right out of my mouth. I could not agree more. Tenants certainly need much more protection from evictions, and to be empowered to enforce and protect their rights as consumers. In our opinion, that would make the biggest difference in driving up standards, because they would not feel that they might be evicted for complaining about poor conditions and dangerous properties.

We are long-standing campaigners for a national landlord register. There are obvious gaps in the data that local authorities and central Government hold on landlords. Collecting that information and making it accessible to local authorities and tenants would definitely improve enforcement and standards in the sector. Local authorities need that information because, at the moment, they do not know where the landlords are, where the properties are or who manages the properties. Those would be simple things to collect and would make such a big difference.

Ben Beadle: Good afternoon, everybody. I would say there are two issues. First, I certainly don't disagree with comments made by other witnesses, but I think that we have an enforcement issue in the sector. There's nothing that irritates landlords more than other landlords giving us a bad name. What we see from our own research is a dreadful postcode lottery of enforcement; it varies from local authority to local authority. That's one key area where we would look for standards to be enforced. We need to go back to basics on that.

Secondly, we have a housing supply crisis. We can point to high rents and a whole range of other things, but, in reality, we need more housing—not just in the private rented sector, but of all tenures and all affordabilities. That poses a significant issue to the sector at the moment.

Anny Cullum: I agree that scrapping section 21 is really important for helping tenants to enforce their rights in the private sector; as Ruth said, it really is deterring people from complaining and enforcing standards, because they are worried about losing the roof over their head. That is vital.

Secondly, we agree that a landlord register is incredibly important, but also that any enforcement must be properly funded. We feel that councils do not have the resources to properly enforce the existing standards and that there is a postcode lottery.

Chair: Thank you very much. Colleagues will now delve into the points that you have raised. It is interesting to see that there is a lot of consensus across the four of you.



HOUSE OF COMMONS

Q2 **Dan Carden:** I declare that I am also a tenant, with a private landlord. What is the role of local authorities here? Do they receive enough support to regulate the sector effectively, as it stands?

Anny Cullum: We don't believe that landlords receive enough support. We recently did a survey of our members and found that, of the tenants who had appealed to their landlords for support, 35% were told by their councils that their issue wasn't serious enough for the council to deal with. In our experience, councils are dealing with only the absolute most severe cases, which allows less severe cases to get worse and worse. They also have really small teams, so they have a lot to juggle.

Tamara Sandoul: To check, was the question about local authorities having enough support?

Dan Carden: Local authorities, yes.

Tamara Sandoul: From speaking to our members, we don't feel that they have enough support at the moment. There is a bit of a postcode lottery in enforcement in the private rented sector. There are serious issues with resources in local authorities, which are having to do more with less. There are different local priorities, strategies and circumstances, which mean that there is variation.

Local authorities tackle the private rented sector in different ways. Some of them have selective licensing schemes; we know that those are much more effective at improving standards, but they are very resource intensive. Local authorities need to put in a lot of money for up-front costs, a lot of time and a lot of admin support, and they need to recruit a lot of extra staff before they can set up those schemes. However, they do tend to work well.

When we have seen funding from the Department for Levelling Up, Housing and Communities, it has been very short term and has sometimes had to be spent in a matter of months. Funding is obviously always very welcome, but we feel that DLUHC could support local authorities in a better and more sustainable way through a longer-term funding model; that would help the local authorities that are, perhaps, not performing as well as others. It would bring them up to the right level, and allow them to produce resources that other local authorities could use, such as good practice case studies and so on.

Ben Beadle: We do have a problem with enforcement here, and the support that we give to local authorities is not enough. Research published by Unchecked UK has set out the scale of the cuts made by local authorities, which are charged with enforcing the regulations in the private rented sector. We know that between 2009 and 2019, the amount spent on housing standards by local authorities in England fell by 45%; the amount spent on environmental protection and regulatory services by local authorities fell by 31% over the same period; and similarly, the amount spent on local authority environmental health officers in England and Wales fell by a third, so I do not think we can be surprised by what we are



HOUSE OF COMMONS

seeing here. Local authorities need to be better funded in order to meet the need to improve standards. It is as simple as that.

Ruth Ehrlich: Ben took some of those stats straight out of my briefing, so I do not have a great deal to add, but we recently carried out some research with local authority officials, and 80% of those officials said that they did not have sufficient numbers of staff working on licensing and enforcement to ensure that the landlords in that area were compliant with their legal responsibilities. There is clearly a bit of a funding crisis when it comes to local authority enforcement teams, but I would also say that their work is stifled by the lack of a really robust national regulatory framework, which would make it easier for local authorities to work together and share data across lines, so that they could enforce standards effectively.

Q3 **Kate Osamor:** I would like to declare that I live in a housing association property. I will start with a key question. Our witnesses have spoken about issues to do with properties, and especially about properties that are in breach of category 1. Do you think tenants have sufficient access to redress when things go wrong?

Ruth Ehrlich: This is a really important question. There are organisations, such as Shelter and Citizens Advice, that plug the gap in advice and support for people who are struggling. In addition, you have renter unions, such as Greater Manchester Tenants Union, London Renters Union and ACORN, which provide that essential on-the-ground help for people who are struggling with conditions, harassment or eviction, especially in areas where local authorities might be struggling to provide proactive assistance, but as I say, we are plugging gaps. It can be really difficult for private renters to get redress when they need it. There are lots of issues that renters currently face: not knowing that they can complain, not knowing how to complain and where to complain, and then obviously being scared about complaining, with this constant threat of a no-fault eviction hanging over their heads.

We want to see improvements to the redress sector. We at Shelter would ideally like to see one ombudsman for each sector of the housing market. A private rented sector ombudsman would pick up repair issues and low-level harassment. Alongside that, it is vital that we have adequately funded courts systems to pick up those more serious cases, and that the local authority continues to provide essential intervention.

The Government have committed to mandatory redress for private renters. That is kind of a positive thing, but we need to remember that it would not function as a centralised system. The Government proposal is to have multiple redress schemes providing the same service to private landlords. We do not want to see multiple schemes offering the same service, because that will try to attract clients who are landlords, and those incentives will not be for the benefit of tenants, so a redress scheme would not function as a centralised database that would look out for tenants but also provide essential data to local authorities.



Q4 **Kate Osamor:** Could I ask Ben Beadle to come at this from the other direction?

Ben Beadle: With pleasure. Again, we are at one on this. I think it is a glaring omission that we do not have a redress scheme in the sector specifically for private landlords. We have it if you rent through a letting agent, but not if you rent through a landlord. Quite properly, the Government have committed to bringing forward a redress scheme as part of the much-mooted renters' reform Bill. I think that will be a good thing for the sector, quite frankly. It will work, I hope, in the way that tenancy deposit protection has for the past 13 years, and it will improve standards and give tenants an independent course for adjudication and redress. Of course, the most serious cases would be reserved for local authority enforcement and/or would go to court for enforcement of further issues. I would not call it low-hanging fruit, but I think there is widespread consensus that it will improve the sector in a significant way.

Anny Cullum: I agree with what Ruth and Ben were saying, but I point out that one of the problems that tenants face is that there are so many different types of enforcement body; you do not know where to turn. For deposits, you have an independent deposit scheme; you have the local authority for conditions; you have the property ombudsman for letting agencies. That is very confusing for tenants.

Another problem that we have found with the deposit schemes is that if you reach a stalemate, and the independent body does not help the parties to reach a solution, tenants can take their landlord to court, but they have to fork out hundreds of pounds to do that, which they do not get back unless they win. That deters a lot of tenants from doing that; people simply do not have hundreds of pounds to put into those court claims. That needs to be looked at as well.

Tamara Sandoul: I very much agree with what Ruth and Anny have said, so I will not repeat it, but I would like to add that some environmental health teams do support tenants and renters in taking rent repayment orders through the courts after they have prosecuted landlords. That is a really powerful tool for recouping some of the rent that they have paid on a property that is just too dangerous to live in. I think those powers are under-utilised, because of course it comes back to funding and resources, and very few local authorities have tenancy relations officers now in place—Bristol is one of them, but very few have those roles. It does come back to funding.

Having one ombudsman would be really helpful, just to direct tenants' queries to different agencies and departments—something that tenants would not instinctively know about. I definitely fully agree with that.

Q5 **Antony Higginbotham:** I want to talk through what a good regulatory system would look like in the private rented sector. It sounds as though everyone is coalescing around the idea that you need expectations to be reasonably clear for landlords and residents. I wonder whether they currently are. Mr Beadle, are the expectations on landlords clear, as



HOUSE OF COMMONS

regards their property, setting rents, and so on?

Ben Beadle: It should be, because they are the professional in the transaction, I would venture to say, but I think we have some gaps there. You need only look at some of the figures to see that we do not have the right sort of support across the sector.

We are really clear as an association that no tenant should be expected to live in substandard accommodation, and that we should aim high when it comes to the private rented sector. It is worth pointing out that the proportion of private rented homes with at least one category 1 hazard has more than halved in the past 10 years; that has come from a high. We are going in the right direction, but—this is like my school report—there is still more to do on that front.

The whole framework of how landlords and tenants are supported needs to be addressed as part of this. You want people to enter into the transaction fully understanding their rights and responsibilities under that contract, rather than finding out when it is too late and then trying to enforce their rights from one step behind. I think the figures speak for themselves.

Q6 Antony Higginbotham: That is very helpful. May I come to the others—maybe you first, Ms Ehrlich? From the consumer side, do you think it is clear where residents fit into things, what their redress schemes are and what they can expect from landlords? I ask that because it is very easy, when you first take out a tenancy, to be given leaflets about what you can expect, but the problems often don't occur at the very start of the tenancy. It might be eight months in, when some of that paperwork has gone. Is it clear? Do you think we can do better on ensuring that people understand, throughout the tenancy, what is expected?

Ruth Ehrlich: You are absolutely right. Lots of information is provided at the start of the tenancy, and that is well and good, but when you live in a property for a long time and have different difficulties or issues, it is not as simple as looking at the terms of your tenancy agreement and knowing exactly what to do about it. I think that comes back to a fundamental imbalance in the relationship between landlord and tenant. Tenants will, more often than not, want to do anything they can to keep a safe roof over their heads, and that means there is a real fear of rocking the boat if they complain when something goes wrong.

We support people every day, through our front-line services, who have tried to speak to their landlord, but don't even know who they are, or can't get hold of them. They approach their local authority and are met with an under-resourced system that can't necessarily intervene in the way that it is meant to. As Anny pointed out, you have so many different avenues to redress as a renter, depending on what your issue is, that we need some kind of streamlined redress scheme. It was proposed a few years ago to have a one-stop shop where your housing complaint would be directed to the appropriate body, and that kind of resource would be extremely helpful, because it doesn't exist right now.

Q7 Antony Higginbotham: That's really helpful. Ms Cullum, or Ms Sandoul,



HOUSE OF COMMONS

do either of you want to add anything?

Anny Cullum: What I would like to say, from ACORN's perspective, as a renter's union, is that, although you can find online the way your landlord is supposed to behave, and what you can do if they don't behave in that way, landlords are not being prosecuted or banned in the numbers that they should be. That's something that the NRLA have also pointed out in a recent report.

I feel that there is clarity on what should be there but, actually, it is unclear what, culturally, will be done. A lot of tenants have a lack of faith in the enforcement agencies. They feel unclear about whether they will keep a roof over their heads if they put the time and energy into complaining, or whether it will have been worth the effort. Lots of our members have spent weeks and weeks trying to get help, and then nothing really comes of it.

It is important to think about what is written on paper and what is happening in practice when thinking about how clear the responsibilities are. Does that make sense?

Antony Higginbotham: Yes, that is very helpful. Thank you. Ms Sandoul, do you want to add anything?

Tamara Sandoul: I don't have anything specific to add, other than to say that it is a complex system. Lots of new rules have been added on top of other rules, and it has become very complicated. I can see how landlords and tenants might find the system confusing. Some better communication and the bringing together of the different powers and standards might be very helpful to clarify that relationship.

Q8 **Shaun Bailey:** Engagement by the Department is a key way for it to monitor, in particular, the impact of its regulatory structures and legislative interventions. I am keen to hear from the panel—we will go in the order that we have gone so far—how you have found engagement with the Department and whether you think that there is effective engagement with those right on the frontline, such as tenants and/or members of the organisations that you represent. Mr Beadle, we will start with you.

Ben Beadle: With pleasure. Very positive engagement, to be honest with you—we have regular discussions with the civil service team at DLUHC, but one of the perennial frustrations is that they do not always have all the levers at their disposal to deal with the matters that affect housing. So, you do not need me to tell you, but there is universal credit with the DWP, taxation issues with the Treasury and energy issues with BEIS. I am very keen to see greater collaboration across Government, because there is nothing more frustrating, when you have had a conversation with DLUHC, to then find something counterproductive to the conversation that you have had going on elsewhere. There are plenty of examples like that, but it is about frequent and always respectful engagement. We always try to be as helpful as we can with regard to data, and what the industry is telling us, and obviously expect them to do the same with other groups.



Q9 **Shaun Bailey:** Thank you. Ms Ehrlich, what about you, particularly in terms of the people you interact with day to day?

Ruth Ehrlich: I will echo Ben. First, officials in the Department have done such an extraordinary amount of work over the past two years, in particular during the pandemic, to protect renters who were at risk of eviction. We have also been really engaging with them with the work around the renters' reform Bill, which has been really positive. The thing that I would say is that the Department generally needs to be bold in its reforms, and be open to, and excited by, the possibility of taking wholesale reform of the private rented sector, rather than the piecemeal approach that has been taken over recent decades. It is clear from the NAO Report that the sector is not functioning as a healthy consumer market as it stands, and so the upcoming reforms need to focus on the problems at hand.

To use an example of a piece of legislation that was introduced a few years ago, part of the Deregulation Act 2015 aims to stop retaliatory evictions when a tenant complains about disrepair in a property. This was obviously a piece of legislation that Shelter really supported. The idea in its infancy was that, if a tenant complained to their landlord in writing about disrepair, any section 21 no-fault notice would be invalid for a period of time thereafter. That proposal was then watered down in the process of it becoming law to the point where the threshold for triggering that protection is so high that the local authority has to have served an improvement notice on your landlord, which we know happens really rarely because of the resourcing issues in local authorities, and the nature of a landlord-tenant relationship, which is that most tenants complain directly to their landlord in the first instance. There is plenty of opportunity for a section 21 notice to be served. I wanted to talk about this piece of legislation because it serves as a bit of a cautionary tale. If we want to reform the private rented sector and bring in genuine protections for people, we need to be brave and bold, and the Department should embrace that.

Shaun Bailey: That is great, thank you. Ms Sandoul?

Tamara Sandoul: We have had quite good engagement from the Department, especially before the covid-19 pandemic. There has been a number of interesting exploratory consultations and reviews that have not really been developed or acted upon since, but generally the civil servants we have interacted with have been really open and interested in exploring the problems. The issue is that we have been repeatedly told that there has not been an opportunity to introduce or change primary legislation, and some of the issues that we and our members have identified go back to legislation and regulations being drafted in a way that makes it more difficult for local authorities to enforce their powers. If there is no opportunity to change them, that is really a problem.

What we would really like to see, as Ruth said, is a long-term bold strategy for the private rented sector, which we have not seen to date. The sector has doubled. Many more people are living in the sector, and



HOUSE OF COMMONS

lots of those people are vulnerable. We need to take a wholesale look at this and sort out some of the smaller issues about why local authorities might find it difficult to use some of the powers at their disposal, and take time to evaluate and correct them. One example is civil penalties, which are meant to be an alternative to prosecution for local authorities, where the money that they collect from the landlord goes back into enforcement. That is great, but what we have heard from local authorities on the ground is that they are finding it difficult to collect those penalties. It can take one to two years to actually get the money in the enforcement budgets, which means that they are not hiring the staff through those penalties that they should be to up their resources and enforcement.

So there are some basic and small issues that we would like to see amended and corrected. That will involve some changes in legislation, so we would like to see more willingness from the Department to explore all options and not just guidance.

Anny Cullum: I agree with everyone about the need for big bold reform and not taking things piecemeal. From a renters' union perspective, we have not had much interaction with the Department at all, and we would really welcome the opportunity for our members to speak to the Department about their day-to-day experiences and have more engagement. That is something we would really welcome.

Q10 **Shaun Bailey:** Finally, this is a quick-fire question and the answer can be literally yes or no. Are you confident that the Department right now would understand the experiences of a typical member of the groups that you represent? That means, for Mr Beadle, a landlord, and, for Ms Ehrlich, someone who is currently dealing with issues around homelessness—this applies equally to Ms Cullum and Ms Sandoul. Would you say that the Department has a real grasp on the experiences of those groups?

Ben Beadle: Yes is the answer from me but, obviously, bearing it in mind that there are different types of landlords out there. I know that DLUHC have been segmenting the market around the different types of landlords that exist, etc. We represent a certain part of the market, obviously, but yes, those are the conversations that we had, and they are genuinely interested in the case studies and experience that we bring to the table.

Ruth Ehrlich: It's a yes and a no from me. We have had really positive engagement, but I cannot overstate the extent to which people are struggling in the housing emergency at the moment. In particular, people on low incomes and people from other marginalised groups are fighting for their homes, and it is vital that they are at the heart of these reforms. I think we can't just go for the easiest, one-size-fits-all solution; we have to think about people at the sharpest end of the housing emergency and make sure that this is going to keep them safe and secure.

Tamara Sandoul: The answer is yes from me, because the PRS standards team in the Department have employed two environmental health practitioners in their team, which has greatly improved their knowledge



HOUSE OF COMMONS

and understanding of how our members work on the ground. Having said that, I think that more could be done in engaging with different local authorities to understand what their individual barriers are to better enforcement.

Anny Cullum: The answer, I'm afraid, would have to be no from me. The legislation that we have seen so far has been few and far between and, as we have said, it has been so watered down that in practice it has not been helpful in a lot of cases. There are some good exceptions to that, such as the lettings fee ban. But I am a private renter and, given my experience, I hope that people do not understand what I am going through, because otherwise we should have had change earlier—if that made sense.

Shaun Bailey: That's great. Thank you, Chair.

Q11 **Chair:** Thank you very much to my colleagues. I just want to check a couple of points. Mr Beadle, earlier, when everyone listed their issues, which are remarkably similar—scrapping section 21 and a national landlords register—you said you agreed with the above. Does that mean that it is the official position of the National Residential Landlords Association that you would like to see section 21 scrapped and a national landlords register introduced?

Ben Beadle: We are not campaigning for section 21 to go. From my experience of what my members tell me, they do not evict tenants without reason. They do not do so unless they have a good reason to do so, so it follows, for me, that when section 21 goes and we have a fault-based method for repossession, that will work as well for landlords as the system does at present. So I have no issue with section 21 going. It obviously depends on—

Q12 **Chair:** But you represent people who have made the effort to join your organisation. What percentage of landlords do you represent, nationally?

Ben Beadle: We have about 100,000 members. You have put me on the spot; I can't give—

Q13 **Chair:** Actually, no one knows how many landlords there are, as we have already identified, so that is perhaps an unfair question—that particular element of it. That brings me on to this issue. First to Mr Beadle, if section 21 is or is not scrapped—the thing is, how does this meet landlords' expectations? I ask because there are landlords who will evict people with or without section 21—the landlords who presumably you would hope are not your members. Then there are landlords who will use section 21. Whatever comfort you have given there, they will use it. They might say that they genuinely need to do work to the property. Nevertheless, as Ms Cullum and others have particularly highlighted, that puts people in a position where they are very frightened that they are going to lose their home.

Ben Beadle: Sure. For me, as somebody who wants to keep people in their homes in order to have rent coming in, it is a curious business model where the first thing we talk about is how quickly we can get tenants out.



The association and I are very much about sustaining tenancies where tenancies can be sustained. We want tenants to have a really good experience when they rent through a landlord. If you look at the English Housing Survey satisfaction figures, you can see they show 83% satisfaction and an average tenancy length of four and a half years. However, I accept that there is still room for improvement. With section 21 going, there is a new opportunity to refresh the sector; it will be the biggest change in my lifetime, and it is not something that I am worried about, frankly. I think we can get on with it and professionalise the sector. What needs to happen is, when section 21 goes, there needs to be a review of the section 8 grounds, because the concerns that landlords do have are around how they will manage antisocial behaviour. Obviously, section 21 is an easy tool within which to deal with antisocial behaviour. That is the only fly in the ointment as far as I am concerned.

- Q14 **Chair:** You mention the English Housing Survey. It is worth pointing out to anyone who is following this that page 23 of the National Audit Office's Report, figure 7, has a list of things there. We do not have time to go through everything. You have picked a good figure there. However, I know that the figure for private rented households with working smoke alarms is 89%, which is lower than for both social housing and owner-occupied housing—although only a smidgeon below owner-occupied housing. Just to be clear, not every figure in that survey is positive for the private rented sector.

Ben Beadle: I accept that.

- Q15 **Chair:** Perhaps in answering this, Ruth Ehrlich, you can pick up on the point on section 8 as well. One of the concerns when we have looked at this is that, ultimately, everything goes to court if there is a dispute. Do you have any sense on how much court costs? Perhaps Mr Beadle can come in in a moment on what court costs for landlords. But it seems to me that there are costs on both sides, and it takes a long time. Can you give us an example, or examples, that you have been dealing with at Shelter when people have had to go to court to deal with their problem with a landlord?

Ruth Ehrlich: Of course. I would say that we see very few people who have gone to court of their own guard, who may have had a problem with their landlord for the issues that we have already talked about. If you have the threat of eviction, as Anny said, it is a really complicated and time-consuming process even if you are extremely knowledgeable about your housing rights and have the time and energy to pursue that process. It is several hundred pounds to apply to court in the first place—I am pretty confident about that, but my legal team may be screaming at me somewhere. I would say in addition to that, this is within a context where—I know that this is outside the remit of the Department—legal aid has been completely slashed in the past ten years. Most housing issues are out of scope, so renters cannot get the early legal advice that they may need to challenge something such as disrepair. You can no longer access legal aid for disrepair cases for damages-only claims. We think that is a massive mistake; while I understand that the Government do not



HOUSE OF COMMONS

want to pay for compensation only, it would act as a massive deterrent for landlords if they knew they could be slapped with a huge fine from the court for having let people live in conditions that are not to standard.

Q16 **Chair:** What you are saying is that it is all a bit academic for most of the people you are representing because they cannot get to court in the first place.

Ruth Ehrlich: Absolutely.

Chair: I see that Anny Cullum is nodding as well.

Ruth Ehrlich: Just to add, as an example, that tenants do have the right to challenge something such as an unfair rent increase at the first-tier property tribunal. They have to submit a form to say that they have had an above market level increase. They have to print out the form, put a stamp on it and send it in the post. That is an example of a system that is not working for the majority—there are too many barriers, basically.

Q17 **Chair:** As Mr Beadle mentioned section 8, do you want to come in on that point? I then have one more question before we move on.

Ruth Ehrlich: We completely understand and recognise that, with scrapping section 21, there will need to be reforms to section 8. We have been working really closely with the Department, making sure that those are fit for purpose. What we would want to see are very robust grounds. When a landlord wants to evict their tenants because they are selling the property, they need to demonstrate that they have a genuine intention to sell their property. Similarly, if they want to move back in, they must have a real reason and intend to be there for a minimum of 12 months or so. We also want to make sure that those grounds for possession are not watered down to the extent that they disadvantage low-income tenants. We would not want to see any changes to a mandatory rent arrears ground, for example, which may see that tenants who are waiting for universal credit to be paid could meet the mandatory possession threshold. We do not want to see anything that will take away protections from those who need them most of all, but we understand that the grounds for possession will need to be expanded.

Q18 **Chair:** We have talked a bit about ombudsmen and having special, different routes of redress. Could you each give a summary of the ideal model you would like to see the Government introduce for the redress element, which would take out the complexity and confusion in the system? Do you have any thoughts about how that would be paid for and by whom? In the end, that will be a major discussion within the Department, I am sure.

Ben Beadle: I like the idea of the redress scheme. It is already established within the sector; it just doesn't apply for landlords. Agents pay for it at the moment, and it would seem to me that landlords are going to need to pay for it going forward. There should be an independent adjudication element, separate from the winning business side of life that



HOUSE OF COMMONS

Anny and Ruth referred to, with the appropriate checks and balances with DHLUC.

We have spoken about the court process. I think that with section 21 going and section 8 being replaced there is a real opportunity for something like an independent conciliation scheme to broker disputes between landlords and tenants. I totally accept Ruth's point.

Q19 **Chair:** How would you see that funded? By landlords as well?

Ben Beadle: I wouldn't, actually. We have established practice with ACAS, which is a national body that is centrally funded, costing about £7 million. I think that taking cases and claims away from the court will derive a saving. You would get much better satisfaction between landlords and tenants. Most of the time, people just need a point in the right direction.

Q20 **Chair:** Just to be clear, you are saying landlords shouldn't pay for it. But who should pay for it? The taxpayer because it is cheaper than court? The taxpayer does not fund everything in court either.

Ben Beadle: No, some elements are paid for, which I accept. In the mechanism we have put forward, it would be replicated like ACAS, which is a centrally available scheme to those that need it to be able to resolve disputes, either associated with work or their tenancy and property.

Q21 **Chair:** So who do you think should pay for that?

Ben Beadle: I think it should be centrally funded—taxpayer funded.

Ruth Ehrlich: As I mentioned, we would like to see one ombudsman for each part of the housing sector, including the private rented sector. That would be funded by landlords signing up to be a member.

Tamara Sandoul: I would second Ruth's suggestion about the ombudsman. Tenants need to be able to refer to one place, which can then refer their disputes to different agencies. That does need to be funded by landlords and, possibly, agents.

Anny Cullum: I agree with Tamara and Ruth that an ombudsman funded by landlords and agents would be the best way. They would sign up and pay a registration fee to be part of it. I think that would solve some of the problems for tenants as well. They would have a simple, clear and understandable system and would not have to navigate different ones depending on where they live. That would be really good.

Q22 **Chair:** My final question is perhaps just to Mr Beadle. There are an awful lot of individual landlords out there who own only one property. You talked about a housing supply crisis and needing more housing of all tenures. Do you think there is a problem in the sector you represent, where there are an awful lot of amateur landlords who did not think it was a business? Instead, they thought it was an investment, because Governments over time encouraged them to invest in property as a pension with certain tax benefits that accrued. Do you think that you



HOUSE OF COMMONS

basically have a sector that is not professional enough? I am aware that that is a broad summary—you do not need to defend the good landlords—but do you think that that is an issue?

Ben Beadle: I do not think there is anything wrong with amateur landlords, as long as they do stuff properly. If they cannot do it themselves, they should get an agent to do it, or they should not be in our sector. It really is as simple as that. Obviously, a lot of individuals have been attracted by the various tax benefits that have been on offer over the past few years. You do not need me to remind you that they are no longer present, so it will be really interesting to see how the market pans out. But when it comes to supply, you need more of everything. We do not have the right numbers of homes available.

Q23 **Chair:** You are preaching to the converted. We have in our surgeries people with housing needs from every tenure, pretty much.

We are pretty much out of time, but on the issue of the state of the rental markets, are there any quick comments? Probably not from Ms Sandoul, because she is more representing the environmental health side, but from Ms Cullum and Ms Ehrlich. Ms Cullum, you represent a renters union. Renters unions have not been very big in recent years, and you are growing now. Is this a sign of a growing problem in the sector?

Anny Cullum: I think it is, and one of the reasons that we are going so fast is because people are not turning to councils any more. They are turning to organising themselves in order to support themselves through issues, because the problems are so stark.

Something that we have not touched on today is affordability, which is a real issue for renters as well. We would call for rent controls as a long-term demand, to try to steady the housing sector—again, building with social housing. But yes, I think the reason that we are growing is that there are loads of problems and people are tired of waiting for under-resourced councils to deal with them, so they are banding together to sort them out themselves.

Ruth Ehrlich: I agree with Anny. This is clearly a symptom of a much bigger problem, which is that the sector is too big and too expensive, and people who would previously have lived either in social housing or in home ownership are living there for the foreseeable future. Security of tenure and regulation go hand in hand but, ultimately, we also need those social homes to be built that will provide the genuinely affordable homes that people need in the long term.

Chair: I think Mr Beadle wants to say something. You have had quite a lot, but go on, Mr Beadle.

Ben Beadle: I have; I'm grateful. Very briefly, everybody is at one in terms of a redress scheme for the sector. Rather than create a new database, that is your database. It tells you where landlords are. You can kill two birds with one stone.

Chair: Data is certainly a thing that this Committee is very obsessed with,



HOUSE OF COMMONS

because it is amazing how many gaps there are in data from Whitehall on this issue and many others. We could go on for much longer, but I really appreciate your input. It is really helpful to hear from the frontline and to hear the voices of those who are involved most closely, particularly the many thousands of our constituents who now live in private rented housing but not always in a good situation, as well as those who are managing okay. There are lots of issues about how it is funded, as we have heard, and we are now going to be questioning our witnesses in the Department. I would like to thank our witnesses who are online. We will have a minute's break as we switch from online to in person. We are on parliamentlive.tv somewhere—you will be able to find us, and I am sure we will get that information through a back channel. I thank our witnesses very much indeed.