



Department for Levelling Up,  
Housing & Communities

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Permanent Secretary

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3 February 2023

Dear Dame Meg,

### **Regulation of Private Renting**

Thank you for your letter commenting on the Government's response to the Committee's 49<sup>th</sup> Report of Session 2021-22 on the regulation of private renting.

In your letter, you note the Committee's concerns regarding local councils' capacity and capability, licensing arrangements, and data strategy and evaluation, as well as the impact of increases in the cost of living. Since I wrote to you in October, there has been considerable progress in our work to reform the PRS, and I am now writing to provide you with a further update as requested.

#### The Renters Reform Bill

As you note in your letter, we have a very significant reform programme underway, preparing legislation which will deliver on the ambitions set out in the White Paper, *A Fairer Private Rented Sector*. The Renters Reform Bill will be introduced as soon as possible in this Parliament.

We continue to make progress finalising the key policy components within the reform programme and preparing for implementation. As you know, we are considering the findings from our consultation on introducing a Decent Homes Standard in the private rented sector and Ministers will outline their response in due course. We are also carefully considering responses to a technical consultation which sought the sector's views on consequential amendments to homelessness legislation as a result of removing Section 21, fixed term, and assured shorthold tenancies.

We remain committed to introducing a Property Portal for the private rented sector: we are developing this in line with the Government Digital Service's Service Manual. We are currently taking forward the digital development of the service which is involving extensive testing of potential solutions for the Property Portal, underpinned by user research and engagement with representative groups, to make certain the system works for tenants, landlords and local councils.

We are also committed to ensuring that the justice system works well for tenants and landlords alike, and I am pleased to note that HM Courts and Tribunal Service has reported improvements in progression times since the pandemic. We will continue to work collaboratively to explore how we can further improve the process for possession claims by providing increased support and guidance for landlords and tenants during the process and making increased use of digital technologies.

Alongside reforming court processes, our reforms will also strengthen the offer of mediation and dispute resolution in the PRS, so that disputes can be resolved before court action is needed. This, alongside our commitments for a new PRS Ombudsman, will free up time for the courts to deal with the most serious cases, and we expect those cases to progress through the courts more quickly as a result. We will be working alongside MOJ and HMCTS on measures that will uphold the commitments the Government made in our White Paper.

I would of course be happy to provide further updates to the Committee as the legislation progresses. We also await the report of the inquiry by the Levelling Up, Housing and Communities Committee on Reforming the Private Rented Sector, and will ensure that you receive a copy of the Department's response to that report.

#### Enforcement by local authorities

Effective enforcement of the reforms will be critical to their success, and as well as seeking to enhance the powers, tools and data available to local authorities (LAs) to support enforcement, we remain committed to conducting an assessment of the burden placed on LAs by the reform package and, where necessary, fully funding the additional cost. Work is currently underway with a group of LAs to gather further data on the activities and costs relating to existing enforcement activity, in support of this assessment.

As you will be aware, the Secretary of State wrote to all LAs following the coroner's report on the tragic death of Awaab Ishak, directing them have particular regard for damp and mould hazards when carrying out their enforcement duties. The letter also requested LAs provide the Department with information on their assessment of damp and mould hazards in their areas, and the action they are taking to remediate them.

The deadline for these responses was 27 January and we are now reviewing the information local authorities have provided. The returns also provide us with data on private rented stock and enforcement capacity. We will use these responses to build our understanding of the damp and mould problem in the sector, and of wider enforcement approaches, and to identify what further data is required.

#### Local authority capacity

Your letter raises the concern that not all councils will have the capacity and capability to make full use of the tools available to support enforcement. While there will be many different factors that influence the way LAs approach private rented sector enforcement, including geographical differences, varied enforcement approaches and governance structures, it remains important that LAs themselves prioritise the improvement of housing conditions for private tenants. The Secretary of State made this very clear in his direction letter.

With regard to cost pressures on local government more generally, we have now published the provisional Local Government Finance Settlement for 2023/24, details of which can be found at: <https://www.gov.uk/government/collections/provisional-local-government-finance-settlement-england-2023-to-2024>. This makes available up to an additional £5 billion to councils in England in 2023/24, an increase of 9% in cash terms on 2022/23. It also confirmed

that all authorities will see at least a 3% increase in their Core Spending Power before any local choices about council tax levels. This settlement demonstrates that we have listened to the concerns of local government in relation to cost pressures and have responded accordingly.

Since the Government's response to the Committee's report, the Department has also announced further details on the commitment in the White Paper to fund a series of pilot projects to test improved approaches to enforcement. So far, seven projects have been announced, with two more to follow, providing funding to test a range of measures that address specific local barriers to enforcement and working with individual local authorities or in wider partnerships across counties and city regions. As well as supporting much-needed improvement in areas with some of the highest levels of poor-quality private rented housing in England, these projects will provide vital learning to inform future policy decisions, and a core element of the programme will be seeking to spread best practice from successful interventions to a wider range of local authorities.

### Licensing

We are considering setting up a selective licensing best practice group, which will support LAs to get the best possible outcome for their residents and landlords and share their experience of successes and challenges from their selective licensing schemes. As mentioned above, we will also legislate for a new digital Privately Rented Property Portal in England, which will provide LAs with the tools to drive out criminal landlords from the private rented sector. The Portal should make it easier for LAs to identify privately rented properties - one of the biggest and most time-consuming barriers faced by local councils - and help them consider areas for more targeted selective licensing schemes. We will continue to monitor the use of selective licensing to have a better understanding of how it is being impacted by the upcoming PRS reforms.

### Data Strategy & Evaluation

The department recognises the importance of gathering the right evidence to inform policy decisions and support our collective work to reform the private rented sector. This includes robust and reliable data, as well as a detailed understanding of the challenges and opportunities experienced by local authorities in enforcing existing regulation.

We are developing our data approach to enhance our understanding of the sector, inform our reforms, and ensure a robust approach to monitoring and evaluation. However, we acknowledge that the department does not operate as a regulator of the sector and therefore our approach to data ownership and data collection will differ from other organisations carrying out a regulatory role.

The department has previously set out several areas where improvements to data have been made and where work is ongoing, in correspondence with the Committee. This includes enhancing our understanding of tenant experiences through:

- improvements to the National Statistics-designated English Housing Survey;
- continuing to commission the Official Statistics-designated English Private Landlord Survey on a biennial basis; and
- implementing a new longitudinal survey of PRS tenants.


It also includes the Secretary of State's direction letter to local authorities requesting data on damp and mould, and additional engagement with local authorities to help inform our understanding of the enforcement implications of our reform proposals. We are committed to

exploring further improvements to our data, publishing relevant PRS data and addressing gaps where needed, as well as conducting additional research and analysis to support our understanding of the sector. We will set out our approach to private rented sector data, including our planned monitoring and evaluation of the reforms and share it with the Committee in due course.

To supplement survey and research data, the department has sought to gain a better understanding of the challenges LAs face through a sounding board, direct engagement with local authorities, and the pathfinders.

We recognise that the work to reform the private rented sector takes place whilst councils, renters and landlords are facing cost of living pressures. The government has previously taken action to support those who need it most with a package worth over £37 billion in 2022-23. At the Autumn Statement, the Chancellor announced further support for 2023/24 including a 10.1% increase in benefits from April 2023, and extra support provided to all households with the Energy Price Guarantee. The government has maintained the Local Housing Allowance at its increased rate for 2021/22 and 2022/23 and for those most in need, Discretionary Housing Payments are available to help meet a shortfall in housing costs, while the Household Support Fund has been extended to help with the cost of essentials. We continue to monitor the market, working closely with colleagues across government including DWP and HMT.

I am copying this letter to the Chair of the Housing, Communities and Local Government Select Committee and the Comptroller and Auditor General.

A handwritten signature in black ink that reads "Jeremy Pocklington". The signature is written in a cursive, flowing style.

**JEREMY POCKLINGTON**