

COMMUNITIES AND LOCAL SERVICES SCRUTINY 10 APRIL 2025

THE RENTERS' RIGHTS BILL – Discussion Paper

Purpose of Report

1. The purpose of this report is to outline the impact of the Renters Rights Bill on Darlington Borough Council.

Current Position of the Private Rented Sector in Darlington

2. The Private Rented Sector more than doubled size in the 15 years to 2021, this has now stabilised. Overall, 10.45% of households in Darlington are rented from the local authority, 5.76% are rented from a housing association and 18.47% are privately rented. The proportion of Privately rented properties is slightly above the national average of 18.24% and also that of the Northeast with a proportion of 15.08%.
3. The latest census data (2021) indicates that the Private Rented Sector (PRS) in Darlington is approximately 9035 properties.
4. The Council does not have details of all the individual properties, but the census data is broken down into Ward data. The Northgate Ward has the highest proportion of private rented with 1,118 (50%) of properties in the private rented sector. See **APPENDIX 1**.

Interaction with other changes in the Private Sector Housing

5. There is a potential for the private rented sector to contract. This has already been seen in the churn in the market due to the pressure of new regulations and the financial markets. Long-established large portfolio landlords have been leaving the market, in many cases these properties have been largely replaced by new landlords. Landlords with smaller portfolios or even single properties have also been leaving the market (these landlords make up approximately 60% of all landlords in Darlington) in these cases it is more likely that properties are going into the open market and not being retained in the PRS. This will therefore be reducing move on options further, and further increase demand and therefore rental prices.
6. A few landlords have recently switched their business model to that of short term lets. This can be in the holiday market for example AirBNB. Others have seen this as a model whereby tenants are not given Assured Shorthold Tenancies to avoid regulation. Landlords have been renting in this way to provide short term accommodation to Social Services and the Homelessness Team increasing costs. The Levelling-up and Regeneration Act 2023 however introduced the registration of short term lets. The government propose to publish the consultation on how this will be delivered early this year.
7. Another model being adapted by some landlords is to provide exempt accommodation. The Supported Housing (Regulatory Oversight) Act however will require the licensing of

supported housing to improve control over this market. A government consultation on how this will be introduced is expected to be carried out in the Spring of 2025.

The [Renters' Rights Bill](#)

8. The Renters Rights Bill, which may be enacted as early as Spring 2025, is expected to further strengthen the current enforcement options of the Local Authority and that of the tenants in the Private Sector tenure.
9. The Renters' Rights Bill aims to give private renters much greater security and stability so they can stay in their homes for longer and avoid the risk of homelessness.
10. The new tenancy system will provide tenants with greater security and stability and empower them to challenge bad practice without fear of retaliatory eviction, the Private Sector Housing Team are therefore expecting the number of service requests for disrepair to increase by at least a third.
11. The main provisions within the bill are to reform tenancies, providing additional protection to both tenants and landlords. It creates a landlord redress scheme and a landlord's registration scheme, creates a decent homes standard for the first time in the private rented sector and to strengthens enforcement powers available to local authorities to enforce each of these provisions.

Reform tenancies

12. The Renters' Rights Bill will end the threat of arbitrary section 21 evictions, as it will abolish assured shorthold tenancies and with them, section 21 'no fault' evictions.
13. Existing fixed terms will be converted to periodic tenancies, landlords will no longer be able to serve new section 21 or old-style section 8 notices to evict their tenants.
14. Private rented sector tenancies would be periodic assured tenancies with no end date – providing more security for tenants. Tenants would need to provide two months' notice to end the tenancy. This will end the injustice of tenants being trapped paying rent for substandard properties and offer more flexibility to both parties to respond to changing circumstances.
15. Tenants will benefit from a 12-month protected period at the beginning of a tenancy, during which landlords cannot evict them to move in or sell the property.
16. Landlords will also benefit, with more straightforward regulation, and clearer and expanded possession grounds. It will expand the grounds for possession to enable landlords to reclaim their properties, when necessary, whilst ensuring appropriate safeguards for tenants.
17. There will also be new protections for tenants who temporarily fall into rent arrears, supporting both parties by preventing tenancies which are otherwise viable from ending. The mandatory threshold for eviction will increase from 2 to 3 months' arrears and increase the notice period from 2 weeks to 4. This will allow tenants more time to repay arrears and remain in their homes.

Strengthening of tenants' rights

18. Rent increases will be limited to no more than once per year, requiring landlords to serve a statutory (section 13) rent increase notice and give at least two months' notice. Tenants would be able to challenge above-market rent increases through the First-tier Tribunal (Property Chamber). This will prevent unscrupulous landlords using rent increases as a backdoor means of eviction, while ensuring rents can be increased to reflect market rates.
19. Landlords and letting agents would be required to publish an asking rent for their property. Prohibit the practice of 'rental bidding'. They would then be prohibited from inviting, encouraging or accepting offers of rent above the asking price.
20. It will give tenants the right to request a pet, which landlords must consider and cannot unreasonably refuse. Landlords would be able to require insurance to cover potential damage from pets.
21. It will make it illegal for landlords to discriminate against tenants who receive benefits or who have children when letting their property.
22. Closing potential loopholes in rent repayment orders (RROs), ensuring superior landlords can be liable for RROs if an offence has been committed even if the rent was not paid directly to them, but through an agent or intermediate landlord.

Creation of a private rented sector database

23. The new private rented sector database will provide local councils with more data about private rented sector properties.
24. The Bill has a section to create a private rented sector database which would bring together key information for landlords, tenants and local authorities. This would enable:
 - a) tenants to access key information to inform their choices when entering new tenancies and throughout their tenancy;
 - b) landlords to understand their legal obligations and demonstrate compliance; and
 - c) councils to target enforcement activity where it is most needed.
25. One of the biggest and most time-consuming barriers faced by local councils is identifying poor quality and non-compliant private rented sector properties and who owns them.
26. The database will provide a trusted and consistent intelligence source which will remove unnecessary, frustrating administration, meaning officers will be able to focus on enforcement against criminal landlords.
27. In addition, councils will be able to use the database to target enforcement where it is needed most, against the minority of unscrupulous landlords

Creation of a landlord redress scheme

28. The bill introduces a new ombudsman service for the private rented sector, which all private landlords would be required to join.
29. Fees paid by landlords will directly fund the creation and work of the private rented sector Ombudsman, providing renters and landlords with access to an effective and fair dispute resolution service.
30. The service would provide fair, impartial and binding resolution for tenants' complaints about their landlord. It would have powers to compel landlords to issue an apology, provide information, take remedial action, and/or pay compensation.

Decent Homes Standard - Creation a legal standard for property conditions

31. This bill introduces a decent homes standard to the private rented sector and would also apply [Awaab's Law](#) to the sector, which would set timescales within which landlords must make homes safe when they contain serious hazards and empower tenants to challenge unsafe conditions.
32. This section of the bill is however expected to be introduced at a later date through secondary legislation.

Expand enforcement powers

33. The bill strengthens local authorities' enforcement powers, expand financial penalties and introduce a new requirement for authorities to report on enforcement activity.
34. Local councils will be able to take enforcement action against private landlords that fail to join the private rented sector database.
 - (a) If a landlord lets or advertises a property without it first being registered on the database, they can be issued with a civil penalty of up to £7,000 by the local council.
 - (b) If a landlord repeatedly breaches the requirement, or if they commit a serious offence such as providing fraudulent information to the database, they may be issued with a civil penalty of up to £40,000 or could face criminal prosecution.
35. Local councils will be able to take action against landlords who fail to join the ombudsman service, or against anyone who markets a PRS property where the landlord is not registered.
 - (a) This will include civil penalties of up to £7,000 for initial breaches and up to £40,000 or criminal prosecution for continuing or repeated breaches.
 - (b) Tenants will be able to seek rent repayment orders against their landlord if the landlord commits an offence by persistently failing to join the ombudsman service.
36. The Renters' Rights Bill will allow regulations to be made setting out Decent Homes Standards requirements for private rented sector homes and will provide local councils with effective and proportionate enforcement powers.

- (a) For landlords who fail to take reasonably practicable steps to keep their properties free of serious hazards, local councils will also have a new power to issue civil penalties of up to £7,000. This will incentivise all landlords to proactively manage and maintain the safety and decency of their properties.
37. The Renters' Rights Bill will take direct action to address rental discriminatory practices and rental bidding in the private rented sector.
- (a) Local authorities powers to impose civil penalties on landlords and anyone acting directly or indirectly on their behalf up to £7,000 for breaches.
38. The bill would also give the Secretary of State the power to appoint a lead enforcement authority, whose role would include providing guidance and information to local authorities to ensure consistent enforcement.

Implications for the work carried out by the Council

39. Prior to this Bill some pieces of legislation were designated as 'powers' to enforce rather than a duty. This Bill introduces a duty under section 107, for 'every local housing authority to enforce the landlord legislation in its area.' It also introduces a duty to report on enforcement action taken.
40. This landlord legislation includes –
- (a) Chapters 3 and 6 of Part 1 of the Renters Rights Act, relating to Tenancy Reform including anti-discrimination provisions specifically relating to children or to benefits status
 - (b) Part 2 of this Renters Rights Act
 - (c) sections 1 and 1A of the Protection from Eviction Act 1977 , relating to Unlawful eviction and harassment of occupier
 - (d) Chapter 1 of Part 1 of the 1988 Act , relating to the security of tenancies and the process of gaining possession.
41. Some of these duties are currently being carried out by the Private Sector Housing Team and the Homelessness Team however some of the duties introduced are additional.

Functions of the Private Sector Housing Team

42. The Private Sector Housing team presently undertakes a range of activity to manage and regulate the private sector market relating to the health and safety of the tenants.
43. This bill is biggest change to the sector since the introduction of the Housing Act 2004. Part 2 of Renters Rights Bill introduces additional duties for the Private Sector Housing Team and changes existing enforcement provision.
44. The bill introduces a decent homes standard for which landlords will have to comply with throughout a tenancy. Currently the only provision is for a tenant to take civil action through the [Homes \(Fitness for Human Habitation\) Act 2018](#).

45. Tenants will therefore be empowered to be able make complaints about poor living conditions to the local authority. It is expected that demand for service will increase by 30% following the introduction of this bill.

Functions of the Homelessness Team

46. Demand to this service has already begun to increase.
47. Prior to the introduction of the Act there has been an increase in Section 21 being served by landlords increasing demand for service.
48. Following the introduction of the Act there is a further potential changes to caseloads if homelessness law changes so duty is triggered for a 4-month notice as cases in this case would be open for longer.
49. *A further demand on the service comes from the duty to enforce [Chapter 1](#) of [Part 1](#) of [the 1988 Act](#)*, relating the enforcement of the security of tenancies and the process of gaining possession. This is currently dealt with informally or referred to the voluntary sector.
50. Properties which have been let or sublet where support is provided – 4 weeks’ notice is required when support has come to an end, where the support provider is no longer able to provide support or the tenant no longer needs the support.
51. Landlords can also serve 4 weeks’ notice when a tenant has unreasonably refused to co-operate with the person providing support services.
52. Deliberate or unreasonable failure to co-operate will no longer result in loss of ‘Main Duty’ and will still end the prevention or relief duty where this is owed. Further to this there is no replication of duty within two years following a PRS offer at main duty.
53. Reductions in service may however come from –
 - (a) Changes to tenancies - those currently threatened with homelessness within 56 days following a section 21 notice, under section 175 (5), will however will no longer apply.
 - (b) Offers of PRS to discharge relief or main duty will be periodic assured (non-shorthold) tenancies.
 - (c) A late amendment to the Bill will give the court the power to order a landlord to pay compensation to a tenant where possession was obtained under new ground 6A. This ground would enable landlords to regain possession of their property if they were subject to enforcement action and needed to regain possession to become compliant.

Private Sector Housing Tenancy relations

54. The council currently do not have a dedicated Tenancy Relations Officer for the Private rented sector. Therefore, the enforcement of harassment and illegal eviction under the [Protection from Eviction Act 1977](#), is not routinely carried out beyond informal action.
55. *The council do not currently offer assistance with regards tenancy issues which could be extended to [Chapters 3](#) and [6](#) of [Part 1](#) of the Renters Rights Act*, relating to Tenancy

Reform including anti-discrimination provisions specifically relating to children or to benefits status.

Financial considerations

56. There are insufficient suitably trained officers within the Council currently to be able to carry out the duties contained within the Renters Rights Bill. Further work however will need to be carried out to identify any skills shortages and how this can be addressed.
57. It is estimated that the Private Sector Housing Team would require 1:800 PRS properties to carry out the additional functions of the Renters Rights Act alone - it is currently 1:2,258. This would equate to a further seven officers.
58. Non-compliant landlords can be fined from £7,000 to over £40,000 depending on the type of breach, it is unlikely however to be self-funding.
59. There is an expectation that new burdens funding will be received to introduce the Act.
60. It has also been proposed that funds will be available to assist local authorities in proactively enforcing non-compliance of the new act through the registration fees levied.

Appendix 1 - The Private Rented Sector in Darlington (Census 2021)

Area	Private rented in Ward % (2021)	Number	Percentage of Total across Borough
England	18.24%	(4,273,689)	
Darlington	18.47%	(9,035)	
Northgate Ward	50.13%	(1,118)	12%
Pierremont Ward	33.50%	(937)	10%
North Road Ward	28.06%	(874)	10%
Bank Top and Lascelles Ward	27.55%	(897)	10%
Park East Ward	26.82%	(929)	10%
Stephenson Ward	20.03%	(508)	6%
Eastbourne Ward	17.90%	(484)	5%
College Ward	17.23%	(332)	4%
Brinkburn and Faverdale Ward	15.74%	(444)	5%
Park West Ward	12.58%	(243)	3%
Harrowgate Hill Ward	12.32%	(326)	4%
Cockerton Ward	11.63%	(348)	4%
Hurworth Ward	11.52%	(217)	2%
Haughton and Springfield Ward	11.49%	(322)	4%
Sadberge and Middleton St George Ward	10.62%	(293)	3%
Whinfield Ward	10.56%	(190)	2%
Heighington and Coniscliffe Ward	10.08%	(201)	2%
Red Hall and Lingfield Ward	9.30%	(176)	2%
Mowden Ward	7.54%	(133)	1%
Hummersknott Ward	3.90%	(63)	1%