# CIEH | Parliamentary briefing



### Renters' Rights Bill – House of Lords report stage

### About the Chartered Institute of Environmental Health (CIEH)

We are the professional voice for environmental health representing over 7,000 members working in the public, private and non-profit sectors (including environmental health professionals working in local authority private rented sector housing enforcement teams). Building on our rich heritage, we ensure the highest standards of professional competence in our members, in the belief that through environmental health action people's health can be improved. For further information visit <u>www.cieh.org</u>.

#### Summary

We are asking peers to support amendments 107 and 108 tabled by Lord Shipley that would remove unnecessary barriers to the use of licensing schemes to improve housing standards.

- Amendment 107 (see <u>here</u>) would enable local authorities operating selective licensing schemes to use licence conditions to improve housing conditions.
- Amendment 108 (see <u>here</u>) would increase the maximum duration of additional HMO licensing schemes and selective licensing schemes from five to ten years.

#### Why is licensing important?

Licensing provides a means for local authorities to inspect privately rented housing using enforceable conditions - and to identify and resolve problems - without the need for tenants to have complained. Licensing schemes pay for themselves through the fees that are charged. They also enable local authorities to target regulation on where it is most needed, i.e. on tackling the worst landlords and supporting the most vulnerable tenants.

#### Amendment 107

Amendment 107 would permit local authorities operating selective licensing schemes to use licence conditions to improve the physical state of the licensed properties. It would remove a peculiar disconnect in current legislation whereby local authorities are permitted to introduce selective licensing schemes in order to address poor housing<sup>1</sup> but are not permitted to include in the licences themselves conditions requiring the physical state of the licensed properties to be improved. It would give local authorities the same discretion in relation to the licence conditions used in selective licensing schemes as they already have in relation to the licence conditions used in additional HMO licensing schemes.

We do not accept the Government's implication at committee stage that the introduction of a Decent Homes Standard and Awaab's Law to the private rented sector will make this amendment unnecessary. Neither of these measures will remove the need for local authorities to be able to use licence conditions to deal proactively with general disrepair in areas with poor housing conditions.

There are at least four reasons why the Decent Homes Standard will not remove the need for local authorities to be able to use licence conditions in this way.

<sup>&</sup>lt;sup>1</sup> The Selective Licensing of Houses (Additional Conditions) (England) Order 2015

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- 1) When licence conditions are in place, if a breach of these conditions is proved, local authorities can serve a civil penalty notice on the landlord *without* first having to issue an improvement notice and/or take other action that involves unnecessary delay. They will be able to do this for breaches of the proposed Decent Homes Standard only in more serious cases possibly only where there is a serious and immediate risk to a person's health and safety and only where they can prove that the landlord has failed to take reasonably practicable steps to address the issue. Licence conditions would therefore give landlords a much stronger incentive than the Decent Homes Standard to address general disrepair.
- 2) The enforcement of licence conditions can be funded by licence fees. The cost of enforcing the Decent Homes Standard will fall on tax payers. In practice, therefore, the use of licence conditions would lead to local authorities undertaking a much higher level of enforcement.
- 3) Licence conditions give local authorities a clear justification as well as sufficient funding for entering properties to carry out inspections without the tenant having complained. We would expect that outside of licensing schemes the vast majority of inspections under the Decent Homes Standard will be in response to complaints.
- 4) Licence conditions could deal with items of disrepair that would be difficult to address using the Decent Homes Standard.

It would seem obvious that Awaab's Law will not remove the need for local authorities to be able to use licence conditions to deal proactively with general disrepair in areas with poor housing conditions. The enforcement of Awaab's Law will depend on the ability and willingness of tenants themselves to seek redress and, ultimately, to take legal action through the courts. It is often difficult for tenants to use legal remedies themselves. Areas with poor housing conditions contain many poor and vulnerable tenants who are particularly badly placed to do so. Licensing would clearly be a much better way of targeting support on them.

We note that there is nothing unduly burdensome for landlords about them being required by licence conditions to keep their properties in a good physical state. They should be doing so anyway.

#### Amendment 108

Amendment 108 would permit local authorities to implement longer additional HMO licensing schemes and selective licensing schemes without repeating the time consuming and expensive designation process. Local authorities introduce these schemes in order to bring about large-scale improvements which are unlikely to be fully achieved within five years. This amendment would allow them to advertise longer term posts and to include training of new staff in these schemes. It would also provide more time for local partnerships formed through such schemes, for example to resolve antisocial behaviour, to become embedded and effective.

We do not accept the Government's suggestion at committee stage that a maximum duration for licensing schemes of five years strikes the right balance between the needs of local authorities and the needs of landlords. This suggestion does not take proper account of the time and money that is wasted through councils being unnecessarily required to repeat the designation process.

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We note that the average licence fee per year for selective licensing schemes is probably in the region of £150, which is only about 1% of the average annual rent in England.<sup>2</sup>

#### **Further information**

For further information please contact Mark Hope, Senior Policy and Public Affairs Executive, at m.hope@cieh.org or on 020 7827 5822.

Our views on other aspects of the Bill are set out in our second reading briefing. We are concerned about the large enforcement burden that the provisions of the Bill will impose on local authorities and the need for proportionate funding that is sustained and predictable. We are also asking peers to support amendment 113 from Baroness Taylor of Stevenage and The Lord Bishop of Manchester that would remove the requirement for landlords to be given 24 hours' notice of an inspection of a residential property and instead require notice to be given after entry has taken place (see here).

<sup>&</sup>lt;sup>2</sup> Since the typical duration of selective licensing schemes is currently five years, the average licence fee of almost £700 that was reported by an insurance company in 2024 on the basis of the responses they received to a Freedom of Information request (Landlords in England face rising costs due to selective licensing schemes - Direct Line Group) is likely to represent an average licence fee per year in the region of £150. The average monthly rent in England in May 2024 was £1,301 (Private rent and house prices, UK - Office for National Statistics).