PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

RENTERS (REFORM) BILL

Sixth Sitting

Tuesday 21 November 2023

(Afternoon)

CONTENTS

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not later than

Saturday 25 November 2023

The Committee consisted of the following Members:

Chairs: Yvonne Fovargue, † James Gray

† Aiken, Nickie *(Cities of London and Westminster)* (Con)
† Amesbury, Mike *(Weaver Vale)* (Lab)
† Bailey, Shaun *(West Bromwich West)* (Con)
† Britcliffe, Sara *(Hyndburn)* (Con)
† Buck, Ms Karen *(Westminster North)* (Lab)
† Firth, Anna *(Southend West)* (Con)
† Glindon, Mary *(North Tyneside)* (Lab)
† Hughes, Eddie *(Walsall North)* (Con)
† McDonagh, Siobhain *(Mitcham and Morden)* (Lab)
† Mohindra, Mr Gagan *(South West Hertfordshire)* (Con)
† Morgan, Helen *(North Shropshire)* (LD)
† Pennycook, Matthew *(Greenwich and Woolwich)* (Lab)
Russell, Dean *(Watford)* (Con)
† Russell-Moyle, Lloyd *(Brighton, Kemptown)* (Lab/Co-op)
† Spencer, Dr Ben *(Runnymede and Weybridge)* (Con)
† Tracey, Craig *(North Warwickshire)* (Con)
† Young, Jacob *(Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities)*

Simon Armitage, Sarah Thatcher, *Committee Clerks*

† attended the Committee

Public Bill Committee

Tuesday 21 November 2023

(Afternoon)

[James Gray *in the Chair*]

Renters (Reform) Bill

Clause 3

Changes to grounds for possession

Amendment proposed (this day): 138, in clause 3, page 3, line 3, at end insert—

"(5C) (a) Where the court makes an order for possession on Grounds 1 or 1A in Schedule 2 to this Act (whether with or without other grounds), the order shall include a provision requiring the landlord to file evidence at court and to serve the same on the tenant, any other defendant, and the local housing authority for the district where the dwelling is located no later than sixteen weeks from the date of the order.

(b) The evidence referred to in paragraph (a) must—

(i) give details of the state of occupation of the dwelling-house since the date of the order,

(ii) give details of the progress of any sale of the dwelling-house, and

(iii) be verified by a statement of truth signed by the landlord."—*(Matthew Pennycook.)*

This amendment would require a landlord to evidence the progress toward occupation or sale of a property obtained under grounds of possession 1 or 1A no later than 16 weeks after the date of the order and to verify this by a statement of truth.

2 pm

Question again proposed, That the amendment be made.

The Chair: I remind the Committee that with this we are discussing the following:

Amendment 139, in clause 3, page 3, line 4, at end insert—

"(2A) After section 7 of the 1988 Act insert—

'**7A Evidential requirements for Grounds 1 and 1A**

(1) The court shall not make an order for possession on Grounds 1 or 1A in Schedule 2 to this Act unless the landlord has complied with the relevant provisions of subsections (2) to (4).

(2) Where the landlord relies on Grounds 1 or 1A, the claim must be supported by evidence which is verified by a statement of truth signed by the landlord.

(3) Where the landlord relies on Ground 1 and the dwelling-house is required by a member of the landlord's family as defined in paragraphs 2(b) to (d) of that Ground, the claim must also be supported by evidence which is verified by a statement of truth signed by that family member.

(4) Where the landlord relies on Ground 1A, the evidence referred to in subsection (2) must include a letter of engagement from a solicitor or estate agent concerning the sale of the dwelling-house.'"

This amendment would require a landlord seeking possession of a property on the Grounds of occupation or selling to evidence and verify in advance via a statement of truth.

Amendment 143, in schedule 1, page 65, line 10, leave out "6 months" and insert "2 years".

Amendments 143 and 144 would prohibit evictions under grounds 1 and 1A within two years of the beginning of a tenancy.

Amendment 192, in schedule 1, page 65, line 10, after "6 months" insert

"or 6 months have elapsed since rent was last increased".

This amendment would prohibit evictions under Ground 1 within 6 months of each rent increase giving periodic protection at each rent renewal.

Amendment 203, in schedule 1, page 65, line 29, at end insert new unnumbered paragraph—

"Where this ground is used no rent will be due in the final two months of the tenancy."

This amendment would ensure when a no-fault eviction on Ground 1 is used tenants would not pay rent for the final two months of the tenancy.

Government amendments 2 and 3.

Amendment 144, in schedule 1, page 66, line 6, leave out "6 months" and insert "2 years".

Amendments 143 and 144 would prohibit evictions under grounds 1 and 1A within two years of the beginning of a tenancy.

Amendment 193, in schedule 1, page 66, line 6, after "6 months" insert

"or 6 months have elapsed since rent was last increased".

This amendment would prohibit evictions under Ground 1A within 6 months of each rent increase giving periodic protection at each rent renewal.

Government amendments 4 and 5.

Amendment 194, in schedule 1, page 66, line 23, at end insert—

"(e) the landlord has offered to sell the property to the current tenant at the same value at which the landlord intends to list the property for public sale and the tenant has informed the landlord within four weeks of receiving the offer from the landlord that the tenant does not intend to buy the property at this value."

This amendment would require landlords wishing to issue a notice for possession on the basis of Ground 1A to offer the current tenants the right to buy the property at the intended listing value before it goes onto the market.

Amendment 204, in schedule 1, page 66, line 24, at end insert new unnumbered paragraph—

"Where this ground is used no rent will be due in the final two months of the tenancy."

This amendment would ensure when a no-fault eviction on Ground 1A is used tenants would not pay rent for the final two months of the tenancy.

The hon. Member for Brighton, Kemptown was on his feet, but I think he had nearly completed his remarks, and he is not here, so I call the Minister to reply.

The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): I thank hon. Members for their contributions so far, and for the amendments. As we discussed, we all agree that the removal of section 21 will give tenants more security in their home. Tenants will know that landlords can evict them only when they have a legitimate reason to do so. It is also vital that the new grounds give landlords the confidence to continue renting out their properties, rather than leaving them empty, if they might wish to sell or move in.

If a landlord goes to court to seek possession, a judge will determine whether the ground has been met, based on the evidence provided. We do not think it is necessary to prescribe in legislation what the evidence is, because a judge will always be best placed to determine, based on what is in front of them, whether the landlord intends to occupy or sell the property.

Mike Amesbury (Weaver Vale) (Lab): The question is why it would not be useful for a judge to base that professional, informed decision on criteria that are in front of them.

Jacob Young: We feel that it is best to give the courts the power to make the decision themselves, rather than prescribing that in legislation. Of course, following Royal Assent, we will publish secondary legislation and guidance. I hope that that gives the hon. Member the assurance that he is looking for.

We will issue guidance to help landlords understand what type of evidence they may choose to provide. It would not be appropriate to be too prescriptive about that in legislation; that might inadvertently suggest that other evidence may not be sufficient. The decision is best determined by a judge on a case-by-case basis. I therefore ask that the hon. Member for Greenwich and Woolwich withdraw his amendment.

With regards to amendments 143, 144, 192 and 193, we thought long and hard while developing these reforms about getting the right balance between tenant security and landlords' ability to move into or sell their homes. We believe that having a six-month period at the start of the tenancy during which landlords cannot use the grounds provides the right balance. A longer period risks landlords not making their properties available for rent and reduces the supply of much-needed homes. Landlords also need the flexibility that periodic tenancies allow, and our proposals strike the right balance.

On amendment 194, although we encourage landlords to consider selling to or with sitting tenants, landlords must have the ultimate decision over who they wish to sell their property to. Giving a tenant first refusal could prevent the landlord selling if, for example, they already had a buyer in mind. It could also cause delays in the public sale process and therefore financial hardship to the landlord.

On amendments 203 and 204, the Government do not believe in penalising landlords by mandating that tenants be entitled to a rent-free period at the end of their tenancy. Landlords looking to move into or sell their property may themselves be in financial difficulty, and amendments 203 and 204 could exacerbate that. By disincentivising landlords' investment in the sector, the amendments would introduce uncertainty and ultimately be detrimental to tenants. On that basis, I ask that the hon. Member for Brighton, Kemptown, not move the amendments.

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I want to ask about a two-month no-rent period. The Government must recognise that there is a huge cost to tenants who have to move out through no fault of their own. Does the Minister not think that there should be some alleviation of that cost? For example, if a tenant finds another property during the two-month notice period, they should not be bound to pay two months' rent. They have been forced to leave through no fault of their own, and should not have to pay double rent; that would be totally unfair. Does the Minister have views on that?

Jacob Young: I accept the hon. Gentleman's argument and understand the sincerity with which he makes it. We are trying to strike a balance throughout this Bill between tenants' rights and landlords' rights. A landlord may choose to evict someone on the grounds that they wish to sell their property, for example, and then be unable to sell their property; if we were to follow the hon. Gentleman's logic, that landlord would be without rent for two months during the notice period, and three months during the refusal-to-let-again period before being able to put their property back on the market, given that they had been unable to sell their property. I do not think it is fair that if landlords were to pursue that course of action, they could be five months' rent out of pocket.

Lloyd Russell-Moyle: May I press the Minister on that point? If a tenant leaves within the two-month notice period, does the Minister really think that they should be bound to pay those two months' rent, even though they have been kicked out and have found another property, and relinquished the property to the landlord sooner than the landlord asked them to? Surely they should not be liable for that amount of money.

Jacob Young: Again, I understand the hon. Gentleman's point. We are trying to strike the right balance in these reforms. That is all I can say on that.

Government amendments 2 to 5 deliver technical changes that will ensure that grounds for possession work as intended, allowing the selling ground to apply to both freeholders and leaseholders who wish to sell their interest in their property. The changes to possession ground 1A are slight, and ensure that the selling ground for private landlords applies to all circumstances where it would be reasonable to consider the landlord to be selling their property, and ensuring that their valid desire to manage their property as they see fit is not unintentionally thwarted. These small changes will ensure that the selling ground works as intended.

Matthew Pennycook (Greenwich and Woolwich) (Lab): We are disappointed with the Minister's response, for the following reasons.

We will, no doubt, hear ad nauseam about the Government's intention and the obvious need, with which we all agree, to get the balance right between the interests of landlords and tenants. We do not think the Government have got that balance quite right in this and many other areas of the Bill.

It is, of course, reasonable that landlords who legitimately want to use grounds 1 and 1A either to take back a property for themselves or a family member, or to sell it, should be able to. We take no issue with the mandatory grounds. However, the Minister has failed to address Labour Members' arguments about the clear risk of those mandatory grounds being abused in several ways. We know that they are being abused in Scotland, where they have already been introduced—that is the proof point here—and there are several other layers of protection in Scotland that this Bill does not provide.

The Government know that there is a risk of these grounds being abused; they would not otherwise have the three-month no-let period. We have clearly identified the loopholes that exist as a result of there being no evidential requirement, unlike in Scotland. Evidence suggests that the Scottish provisions are still open to abuse, but Scotland at least has the Private Housing (Tenancies) (Scotland) Act 2016, which requires the landlord to provide specific evidence. That is not the case here. The Minister makes the point that it is for judges to make a determination, but grounds 1 and 1A are mandatory grounds. The judge literally just has to

[Matthew Pennycook]

determine whether the landlord has proved that ground 1 or 1A applies. The judge does not assess the merits of the case, as they would if these were discretionary grounds. Judges do not have the freedom to say that they do not think the landlord is legitimately taking back the property. As we have argued, at the end of four months of the protected period, any landlord can, under these grounds, serve notice or evict on the pretence that they will use the property for themselves or sell it, but they can then not sell it; nothing prevents that.

Jacob Young: On the hon. Gentleman's point about providing evidence to a court, a judge would have to determine whether the intention to sell the property is valid.

Matthew Pennycook: I will happily give way to the Minister again if he can say how the judge would prove an intent to sell or occupy the property without evidential requirements. The judge does not have to ask the landlord for any evidence that they will use those grounds.

Jacob Young: It is our position that the types of evidence that can be used do not need to be in the Bill, but as I have already set out, they will be in guidance.

Matthew Pennycook: That is some progress. If we have a commitment from the Minister that we will get detailed guidance that landlords need to submit—

Jacob Young: I did say that.

Matthew Pennycook: That is welcome, but I think the concern is still there, because what does the guidance say? We do not know. What proof does it ask for? We have a clear set of evidential requirements in amendment 138.

We feel strongly about the point of protected periods. In amending ground 1, the Government have removed the requirement for prior notice of the use of the ground. If a landlord wants to take back a property for their own use, they must tell the tenant when the tenancy agreement is made that they may wish to engage the provision for prior notice. There is no prior notice under the amended ground 1. Any tenant could find themselves evicted with six months' notice, and they would have no clue when they agreed the tenancy with the landlord that they could face that scenario. We very much support the legitimate use of these grounds, but it is essential to strengthen the Bill and the guidance that may come forward to prevent and deter abuse.

For that reason, we will press amendments 138, 139 and 143 to a vote. We also support amendment 194, in the name of my hon. Friend the Member for Brighton, Kemptown. It is completely reasonable for landlords to have to offer the sitting tenant first refusal on purchase of a property. To be frank, I do not really understand what the Minister says about the alternative scenario of a landlord having a buyer in mind who is not the tenant. That does not sound like a particularly fair ground. The tenant is in the property; they should have first refusal at the market price that the landlord asks for. If they cannot meet that price, the landlord can sell to any other buyers.

Lloyd Russell-Moyle: My hon. Friend will note that such provisions exist in other areas, where the first right of refusal is given. Surely if this legislation is passed, the landlord will always first have the tenant in mind when looking for a buyer. The scenarios suggested by the Minister would not occur, because the landlord would go to the tenant before other buyers.

Matthew Pennycook: That is a reasonable point. Landlords will adapt to the system. They will have it in mind that they must automatically make an offer to the sitting tenant. If they determine that the market price is more than the tenant can afford, they can go to the second buyer that they have in mind. We are not quibbling about them selling at market rate, obviously, but it is important to help renters on to the home ownership ladder if possible.

Jacob Young: I understand the hon. Member's point, but consider a landlord who wanted to sell a property to a family member. That is perfectly legitimate. They might want to sell to their child. If there was a duty on the landlord to offer the tenant first refusal, surely they could not do what they wanted with their property. *[Interruption.]*

Matthew Pennycook: My colleagues behind me are making the case for me. In that scenario, I respectfully say that the landlord could legitimately exercise ground 1 and, within six months, take the property back for that family member. They could then sell it freely. However, evicting a tenant to do so is, we think, questionable, because it is reasonable to give the tenant first refusal. If I have understood the Minister's point correctly, if I am a landlord and I want to sell to my son, I can take back the property under mandatory ground 1. My son could live in it, and I could then sell it to him at any point. I do not see why a sitting tenant would need to be evicted for that to happen.

Jacob Young: Under the hon. Gentleman's argument, the landlord would have to charge rent to the family member. Say the landlord wanted to sell to a close friend; they would not be covered by ground 1. There is a difference on a point of principle between the two sides here. We think that landlords should be able to sell their property to whomever they want. The Opposition seem to take a different view.

Matthew Pennycook: We do take a different view, because, as I have said, it is reasonable that landlords should offer first refusal to tenants. I do not know how many landlords out there are desperately planning to sell to a close friend and would not be able to. That scenario might arise, but in the majority of cases, landlords will sell a property on the open market, and they could give tenants first refusal, at the price that they seek. As I said, we support amendment 194, and will press our amendments in this group to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 8.

Division No. 1]

AYES

Amesbury, Mike	Pennycook, Matthew
Buck, Ms Karen	
Glindon, Mary	
Morgan, Helen	Russell-Moyle, Lloyd

NOES

Aiken, Nickie	Mohindra, Mr Gagan
Britcliffe, Sara	Spencer, Dr Ben
Firth, Anna	Tracey, Craig
Hughes, Eddie	Young, Jacob

Question accordingly negatived.

2.15 pm

Amendment proposed: 139, in clause 3, page 3, line 4, at end insert—

"(2A) After section 7 of the 1988 Act insert—

'**7A Evidential requirements for Grounds 1 and 1A**

(1) The court shall not make an order for possession on Grounds 1 or 1A in Schedule 2 to this Act unless the landlord has complied with the relevant provisions of subsections (2) to (4).

(2) Where the landlord relies on Grounds 1 or 1A, the claim must be supported by evidence which is verified by a statement of truth signed by the landlord.

(3) Where the landlord relies on Ground 1 and the dwelling-house is required by a member of the landlord's family as defined in paragraphs 2(b) to (d) of that Ground, the claim must also be supported by evidence which is verified by a statement of truth signed by that family member.

(4) Where the landlord relies on Ground 1A, the evidence referred to in subsection (2) must include a letter of engagement from a solicitor or estate agent concerning the sale of the dwelling-house.'"—*(Matthew Pennycook.)*

This amendment would require a landlord seeking possession of a property on the Grounds of occupation or selling to evidence and verify in advance via a statement of truth.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 8.

Division No. 2]

AYES

Amesbury, Mike	Morgan, Helen
Buck, Ms Karen	Pennycook, Matthew
Glindon, Mary	Russell-Moyle, Lloyd

NOES

Aiken, Nickie	Mohindra, Mr Gagan
Britcliffe, Sara	Spencer, Dr Ben
Firth, Anna	Tracey, Craig
Hughes, Eddie	Young, Jacob

Question accordingly negatived.

Matthew Pennycook: I beg to move amendment 136, in clause 3, page 3, leave out lines 21 and 22 and insert—

"1, 1A, 1B, 2, 2ZA, 2ZB, 6, 6A	four months beginning with the date of service of the notice
5, 5A, 5B, 5C, 5D, 7, 9	two months beginning with the date of service of the notice"

This amendment would ensure that the minimum notice period for a number of 'no fault' grounds for possession would be four months rather than two.

Clause 3 amends the grounds for possession in schedule 2 to the Housing Act 1988 in relation to not only the courts making orders for possession, but notice periods, to which amendment 136 relates. Each existing, revised or new possession ground, with the exception of grounds 7A and 14, has a corresponding minimum notice period after which either a tenant must vacate the property or the landlord is permitted to start court proceedings to regain possession. Each of these minimum notice periods is set out in clause 3(3). I will read them all out for the record, Mr Gray, because it is important that we know precisely which grounds we are talking about.

As the Bill stands, there is a minimum notice period of two months before the landlord can begin court proceedings under grounds 1, 1A—which we have just discussed—1B, 2, 2ZA, 2ZB, 5, 5A, 5B, 5C, 5D, 6, 6A, 7 and 9. There is a four-week notice period for grounds 5E, 5F, 5G, 8, 8A, 10, 11 and 18, and a two-week notice period for grounds 4, 7B, 12, 13, 14ZA, 14A, 15 and 17.

Amendment 136 amends the provisions in question by creating a new minimum notice period of four months that would apply to a number of existing, revised or new possession grounds that can still fairly be categorised as de facto no-fault grounds because they could be used to evict even model tenants who scrupulously adhere to the terms and conditions of their tenancy agreements. The grounds for possession that we believe should have their minimum notice periods increased from two to four months are the new mandatory grounds for possession 1 and 1A for occupation of a property by the landlord or their family and for its sale; ground 1B for sale of a property by a registered provider of social housing; ground 2 for sale by mortgage; grounds 2ZA and 2ZB for when a superior lease ends or when a superior landlord becomes the direct landlord; ground 6 for redevelopment; and ground 6A for when compliance with enforcement action is required. Grounds 5, 5A, 5B, 5C, 5D, 7 and 9 would retain a minimum notice period of two months, as provided for by subsection (3).

While there are legitimate, genuinely held differences of opinion between the Opposition and the Government about how Ministers propose to implement the ending of section 21 evictions, there is broad consensus in the House on the removal of section 21 by means of the Bill. It is obvious why such a consensus exists. As we have discussed, landlords can evict tenants with as little as two months' notice at any point after their fixed-term tenancy has come to an end, without giving a reason for doing so, or even having such a reason.

As we discussed this morning in discussion on clause 1 stand part, significant numbers of tenants are evicted each year through a section 21 notice. Worryingly, the numbers appear to be rising; the Government's own figures make it clear that between July and September of this year alone, accelerated procedures numbers for England increased across all actions, with claims up 38%, orders up 32%, warrants up 31% and repossessions up by 29%. No-fault, no-reason evictions are hugely disruptive for tenants; they harm the health, wellbeing and life chances of many, particularly the growing number of young people growing up in the private rented sector. They are also the leading cause of homelessness in England.

Abolishing section 21 is, then, long overdue, and when it is finally enacted it will give private renters much-needed security in their homes and enable and embolden them to assert and enforce their rights more vigorously. However, the abolition of section 21 will not entirely remove the threat of short-notice frequent evictions, which put tenants at risk of homelessness, and the Bill

[Matthew Pennycook]

proposes to retain a number of de facto no-fault grounds for possession with, as I explained earlier, minimum notice periods of just two months.

Some would argue, as the Minister may, that two months is more than enough time to find a new private rented property, but we think that such an assumption is highly questionable. There is a wealth of evidence to suggest that a significant proportion of the approximately 11 million private renters in England struggle to do so, particularly in hot rental markets where demand is extremely high, as pointed out in the evidence given by James Prestwich from the Chartered Institute of Housing. For example, research carried out by Shelter suggests that for 34% of renters it took longer than two months to find and agree a new tenancy the last time they moved. Worryingly, that increased to 40% of renters with children and 46% of black renters. That highlights the additional challenges faced by particular tenant cohorts.

Our amendments do not press for a blanket four-month minimum notice period in relation to all grounds for possession. That would be excessive and limit the ability of landlords to quickly regain possession of their properties in legitimate circumstances. For example, if a tenant is found guilty of breaching one of the terms of their tenancy agreement, it is right that, albeit on a discretionary and not mandatory ground, the landlord can recover the property in two weeks. We would not want to extend notice periods in a uniform way in that respect, which would undermine ground 12 or any number of others.

However, we do feel strongly that when it comes to the de facto no-fault grounds that the Bill provides for, the notice period should be increased to better protect tenants against the risk of homelessness, particularly families and those who, for a variety of reasons, will struggle to secure a new home within two months. As Ben Twomey, the chief executive of Generation Rent, put it in our evidence sessions:

"We think there should be better protections"

in this part of the Bill. He continued:

"It should go to four months instead, to give the renter time to make the savings, look around and find somewhere to live."—[*Official Report, Renters (Reform) Public Bill Committee,* 14 November 2023; c. 38, Q38.]

The Government maintain that, as we have just discussed, the Bill strikes the right balance between the interests of landlords and tenants. Indeed, the Minister made the point in the previous debate, and this morning, warning us that to seek to upset that delicate balance would be to invite ruin. We do not believe that the Bill as it is currently drafted strikes the right balance between the interests of landlords and tenants. The proposed notice periods are a prime example of where we believe the playing field is still tilted towards the landlord interest, in a way that would cause real problems for tenants. To ensure that the playing field between landlords and tenants is truly levelled, the latter require greater protection when it comes to the notice period for the de facto no-fault possession grounds that are to remain in force as a result of the Bill. I look forward to hearing the Minister's response.

Lloyd Russell-Moyle: I rise to support the amendment —no surprise there. We have a crisis not only in our private rented sector, but with the burdens that local authorities are having placed on them, with people coming to them at short notice because they are losing their homes. Many Members will know that two months is just not long enough for many local authorities to assist the constituent or, in this case, tenant to find a home in time. They are put into emergency accommodation at great cost to the council and the public purse. As a result of section 21s and the short period people have to find homes, last year 24,000 households were threatened with homelessness and had to resort to their local council. That is a huge number, and our local councils are suffering. The emergency accommodation spending of Hastings Borough Council, just down the road from me, has gone from £500,000 to £5 million this year. How can a council find that amount of money in three years? Almost exclusively, the cause is the ending of private tenancies.

We all think that private tenancies will need to end sometimes. No one thinks they should not when there are legitimate reasons. The Conservative party manifesto said that the Government would end no-fault evictions. It did not say that they would end just section 21s: it said they would end no-fault evictions. Clearly, that has not happened. We all agree that there are some reasons why a no-fault eviction might be needed, but serving those no-fault evictions with the same terms and time limit as section 21 evictions seems to breach the spirit, if not the letter, of not only the governing party's manifesto but the point that we are meant to be rebalancing and giving time for tenants to find properties.

We could choose any number and say it was suitable, but let us think about the cycle through which people find houses. It will often take a number of weeks just to look for a house. Then someone will have to raise the money to pay for a deposit in advance, which might require one or two pay cheques. The Minister has already dismissed my amendment on rent-free periods, so people will have to raise that amount from the money they are earning at the time, and that may take a number of months. For a lot of private renters, 60% of their salary goes toward rent, so the idea of having to raise a month's rent in advance in two months is almost impossible.

There is then the need to ensure that contracts are signed and references are done. To go through all that process in two months, someone would effectively need to have found a property on day one of getting the order. Four months is a much more reasonable period for someone to be able to do all that, when there is no fault of their own. It is incumbent on the Minister to at least consider that idea, and if not, to ask what additional protections and support will be given to tenants and local authorities to aid that transition, which is currently not aided.

All that is without me even touching on children and the fact that they will need to move schools. Four months would also mean that a child can make a move between schools within term-time and half-term periods. That allows a parent to say to their child, if they are having to move, "At half-term you will be starting at a new school." These are important things for raising families, and the cycles are not unrealistic.

Of course, there will always be need for quicker evictions. There will be fault evictions. There will be pre-notice evictions. My Front-Bench team is not proposing

to change any of them; I think that that is a reasonable balance for everyone. I urge the Minister to accept the amendment.

Ms Karen Buck (Westminster North) (Lab): I, too, urge the Minister to accept the amendment. It is common knowledge that London is at the sharp end of the pressures in this respect, and the need for a more flexible approach is pressing.

The Government are missing a recognition that the private rented sector, and moves within it, are not as they were, as we touched on earlier. The profile of renters is now completely different compared with the situation a decade or two ago, so the needs of households need to be accommodated in the management of the sector. There are more families in the sector and, as my hon. Friend the Member for Brighton, Kemptown said, we need to ensure that families with children are given sufficient lead-in time to move their children between schools. For families with two or three children, that can involve finding a way of moving children in primary school and secondary school and between nurseries. These are major logistical tasks.

2.30 pm

A large cohort of people who are now in the private rented sector have disabilities. Some people have had to undertake adaptations to their properties, or need adaptations, and that is also true of a proportion of older people. The Government are thinking of young footloose renters who are able to up sticks and move within a couple of weeks.

Section 21 evictions—we argued earlier that this will also be the case with the loopholes in the grounds under the new provisions—are the single largest driver of homelessness. That is acutely true in London, but it is increasingly true in other cities and in some rural areas. One in every 50 Londoners, and one in every 23 children in London schools, are homeless as a consequence of the end of a private tenancy.

The Government also completely fail to understand that the private tenancies that are available to people are not 100% of all private rentals. We heard from Julie Rugg in the evidence session last week, and her excellent study of private rental confirms that we are talking about not a single private rented market but many. The properties available to those on lower incomes, and particularly those who need Government housing support to access them, are a very small proportion of the total available. Shopping around and being able to move within eight weeks is fine if 100% of the properties are available, but they are not.

We hope the Chancellor will make some concessions tomorrow on the critical issue of financial support to low-income renters, but as things stand, in higher-cost areas fewer than one in 20 properties are available to those renters. It is simply unrealistic to expect people on low incomes with access to only a limited proportion of the total rental market, those with higher needs, those who need a particular type of property, and those who need to manage a move to accommodate their caring or childcare responsibilities, to move within eight weeks.

My hon. Friend the Member for Brighton, Kemptown briefly touched on the cost. People need the time and capacity to marshal the resources to fund a move. In many cases, these people are frequent movers, and it is estimated that in the private rented sector the move alone costs an average household £1,500. That is simply not money that people on lower incomes have lying around.

I urge the Minister to bear in mind that we are not talking about an idealised tenancy—a fantasy tenant in a fantasy private rented sector: we are talking about real, complex lives, which will be damaged if they are not afforded proper protection, and there will be consequences for very hard-pressed local authorities. That is one of the big drivers that is tipping some of our local councils into severe crisis. The Minister can do something about that and ensure that the process is more realistic, better managed and in everybody's interest. I urge him to reconsider.

Mike Amesbury *rose—*

The Chair: It is helpful if you let me know in advance that you wish to speak.

Mike Amesbury: I did; you didn't see me.

The Chair: Order. It is also an extremely bad idea to argue with the Chair. You did not make yourself known to me, I did not see you, and saying you did puts you in bad odour, so just don't do it.

Mike Amesbury: Thank you, Mr Gray. I rise to support the amendment, which is a pragmatic response to the current housing market conditions, which are particularly acute in London and the south-east, for those who are vulnerable and do not have buying power, such as young professionals. My hon. Friend the shadow Minister highlighted a rather startling figure from Shelter: 40% of renters with children wait way beyond the two months currently in the Bill.

Members have also referred to the cost ultimately to the Exchequer, but certainly to local authorities. We have 104,000 people—a record number—living in temporary accommodation, and the cost to local authorities is £1.7 billion. That is another startling figure, and maybe the Chancellor will respond to it tomorrow with changes to the local housing allowance. I think the amendment is pragmatic. It is about focusing on the families and vulnerable tenants most in need in a marketplace that has limited availability. I think local housing allowance covers about 5% nationally—

Ms Buck *indicated assent.*

Mike Amesbury: Of course it is far worse in London and, indeed, other cities. I urge the Minister and the Government to do the to do the right thing with this amendment.

Jacob Young: I thank the hon. Member for Greenwich and Woolwich for tabling amendment 136, which seeks to lengthen the notice period that landlords must give for some grounds of possession. The notice period in the Bill balances the needs of both tenants and landlords. We have not reached our decisions without a lot of thought and careful consideration over many years and in collaboration with the sector.

[Jacob Young]

It is important to give tenants sufficient time to find a new home. However, notice periods must also balance that aim with ensuring that landlords can manage their assets. For example, they may need to sell or move into the property, which might also be their long-term family home. Landlords must also be able to comply with enforcement measures or contractual requirements, such as superior leases, in a timely manner. Setting a longer notice period would undermine landlords' confidence in dealing with such reasonable scenarios. We encourage landlords to work flexibly with their tenants and notify them of their intentions as far in advance as possible, but we also recognise that that is not always possible.

As Members have indicated, we think our approach strikes the right balance, so I ask the shadow Minister to withdraw the amendment.

Matthew Pennycook: I will not withdraw the amendment; I am going to press it to a vote because, again, I do not think the Government have got the balance right. I do not think that two months' notice is sufficient for a whole cohort of tenants, and I think my hon. Friend the Member for Weaver Vale is absolutely right. There is a basic issue of fairness here in terms of the profile of the private rented sector, as it now is. We can all look at the minimum notice period in the explanatory notes and think that it seems very reasonable: "Two months. Who could not make two months?" But we all look at that as highly paid professionals who could move in that period of time. Older people, disabled renters, or renters with a family simply cannot do that.

I put the Shelter figure to the Minister again. He may question the figure, but it seems like it comes from a very detailed study. What are the Government saying to the 34% of renters who could not move within that two-month period when they last moved? The Government are effectively saying to those renters, "You're at risk of homelessness," and we do not think that is fair. On the de facto no-fault grounds—which, just to be very clear, are mandatory; we are not talking about every ground—the Government should think again.

Jacob Young: The hon. Member refers to fairness, but the situation is not fair for the landlord either. A landlord who wants to move into their property for whatever reason—we do not know the reasons, but it could be a reasonable ground—or sell it would have to wait an additional two months. We are talking about two months' notice to provide grounds for possession, so in reality it could be much longer than that because it could be two months plus whatever court proceedings come afterwards.

The hon. Member is saying that we should extend the period to four months. On the basis that a typical court hearing would take 22 weeks, as we have heard elsewhere, we are talking about a period of nine months between when a landlord might want to move into their property and when they can actually do so. I do not think that that is fair either. As I say, we believe that we are striking the right balance.

Matthew Pennycook: I say two things to the Minister. First, the minimum notice periods are from the date of service of the notice. I take the point about court reform, but this is at the point of service of the notice, not the point of the possession award; they are the minimum periods that apply. Secondly, what is his answer to the 34%? There is evidence out there from organisations with expertise in this area. What the Minister is saying is that the Government are content to see a third of tenants given a minimum notice period in which they cannot possibly reasonably find a new property.

There is a fairness point and also a cost point, which the Government should, from their own perspective, be more concerned about. The cost of those renters not being able to find properties will be borne by local authorities. As Parliamentary Under-Secretary of State for Levelling Up—I think I have his title correct—the Minister will know what is happening with Liverpool City Council. Its spend on temporary accommodation increased by 7,660% by the end of the fiscal year compared to 2019. Several London councils, including my own, are in financial difficulty because of temporary accommodation costs. This is not sustainable. If the Government are going to allow this broad swathe of new mandatory de facto grounds to be in place with a two-month notice period, that situation will persist.

The last thing I would say goes to a point made by my hon. Friend the Member for Brighton, Kemptown earlier. Lots of tenants served with these notices are going to find somewhere and move out before the date. We are talking about the hard cases where people cannot move out. I think the Government have a tin ear on this—they have a mindset issue when it comes to grappling with what the PRS looks like now. By refusing the amendment, the Government are effectively saying, "That's their problem." We think the Government should think again, so we intend to press the amendment to a vote.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 9.

Division No. 3]

AYES

Amesbury, Mike	Morgan, Helen
Buck, Ms Karen	Pennycook, Matthew
Glindon, Mary	Russell-Moyle, Lloyd

NOES

Aiken, Nickie	Mohindra, Mr Gagan
Bailey, Shaun	Spencer, Dr Ben
Britcliffe, Sara	Tracey, Craig
Firth, Anna	Young, Jacob
Hughes, Eddie	

Question accordingly negatived.

Jacob Young: I beg to move amendment 1, in clause 3, page 3, line 21, after "2ZB," insert "4A,".

This amendment adds the new Ground 4A inserted by Amendment 9 to the table that the Bill inserts into section 8 of the 1988 Act, with the effect that a notice under that section relying on that ground must specify a date no sooner than 2 months after the date of service of the notice.

The Chair: With this it will be convenient to discuss the following:

Government amendment 9.

Amendment (a) to Government amendment 9, line 16, at end insert—

"(e) the property was exclusively advertised through a specified educational institution, their agents or providers as outlined in Schedule 1 of the 1988 Act."

This amendment would only allow Ground 4A to be used as a ground for possession when the property was exclusively advertised through an educational institution, rather than in relation to a HMO property which is not exclusively provided to students.

Jacob Young: Government amendments 1 and 9 introduce a new ground for possession to ensure that the annual cycle of student lettings can continue in the new tenancy system. We have spoken to many, including landlords and universities, who are concerned about the potential impact of our reforms on the student market. I thank all those who have engaged with us on this important issue. The amendments address the concerns in a balanced and proportionate way.

As many of us will have experienced, the student housing market works on an annual, cyclical basis. Students typically move in and out of properties over the summer, in line with the academic year. Without the backstop of section 21, we understand that landlords would no longer be able to guarantee that properties would be empty for new groups of students. That would have knock-on implications for students, who could not sign up for properties in advance and know that they had somewhere to live for the start of the academic year. The introduction of this ground will mean that the annual churn of "typical" student lettings is maintained. Landlords letting to full-time students can ensure a property is vacant at the end of the academic year and ready for a new group of student tenants over the summer months.

I would like to reassure Members that we have designed the ground carefully. Our approach will protect this crucial part of the market while balancing the needs of both landlords and students. The ground can be used by landlords in England when a house in multiple occupation is occupied by full-time students at the start of a tenancy and the property is needed for a new group of students for the next academic year. That means that the ground is unlikely to capture students who have children or other caring responsibilities, or who are studying part-time alongside their main job.

The amendment tabled by the hon. Member for Brighton, Kemptown is therefore not necessary. It would narrow the scope of the ground significantly. Most properties are advertised on Zoopla or Rightmove rather than through a university, so the amendment would not provide the carve-out that the student market needs. Landlords will be required to give tenants at least two months' notice in line with the other "landlord circumstance" or "no fault" grounds. I hope the hon. Member will withdraw his amendment to clause 9.

2.45 pm

Lloyd Russell-Moyle: I am sceptical about the need for a special student carve-out. The National Union of Students is sceptical as well, but it did acknowledge that if worded correctly it could provide some relief to support a special dedicated market.

I think the Government's amendment is too broad: it attacks the market that students might be bidding in rather than specifying student markets. There are three markets for the students to bid in. One is purpose-built student accommodation, which already has an exemption and a ground in the Bill—no problem. The second is the student-only houses in multiple occupation market, which is usually advertised via universities or organisations such as Unipol, and focuses only on students. Then there are the HMOs available for young professionals and young people.

Most of the HMOs on the seafront in my constituency are not occupied by students; they are occupied by young professionals looking to eventually get a house to themselves, but they are sharing. There might be people who share accommodation for cost-saving purposes. The measure gives an exemption to that market if the landlord lets to students only. It sucks away a market that is already overstretched—the HMO market—and pushes it into the student market. Already there is pressure because the student market pays more than the general HMO market. The measure will exacerbate that and make things far worse. I am deeply worried about that unintended consequence.

We could stop that unintended consequence. If a property is only for the student market, of course we recognise that, but it should be advertised only via student letting agencies—at the university or via a registered provider. That is largely done, anyway. Universities often pair up with local letting agents and assign letting agents that are trusted providers. My amendment allows that, but it treats the exemption much more like the purpose-built student accommodation exemption. In the long run, universities should have a duty to provide housing—purpose-built or HMO—via the university for all students who want it. That would relieve a lot of the tensions that we get in communities where people are fighting over HMOs—young professionals versus students.

There are measures via article 4 directives under the planning regulations, but they are blunt tools. What we really need is a duty given to universities to ensure that any student who so wishes can be provided with accommodation. That would be a long-term solution. It would solve the madness in Manchester this year—students having to live in Liverpool because not enough accommodation is provided for them in Manchester. But that will not be solved by the Government's amendment. In my view, it could be made worse.

Providing that all student accommodation needed to be advertised via the university would also allow the university to have a better appraisal of what accommodation was available for their students. It would allow the university to liaise with landlords. When there are problems in communities with student houses—I do not want to be unfair to students, but they are sometimes known to enjoy a party here or there—the universities would be involved in that process, rather than students just being out in the wild, as it were. Good universities already do that. Most universities already have that process.

My other fear is that the measure will make it harder for students who actively choose to live in mixed households, because landlords will not want mixed households. Students who at the moment want to enter the general HMO market and live in a mixed household will now be discouraged. The landlord will say, "No, even though I am advertising this on the general market, I would quite like to rent to an exclusive student household." The measure also underestimates the flexibility of the student experience: students will drop out, want to stay or want to go into work.

[Lloyd Russell-Moyle]

Finally, the danger of the Government amendment, without my amendment, is that it will embed the very problem with the student market. Anyone whose children have gone to university or who has recently been to university themselves will know that, by January, students already have to decide what accommodation they will have next year. Preserving that function of the market is not a positive thing. Students have not developed deep friendships—they only arrived in October—and often have not actually worked out what course they want to do. If they are on a course that has vocational or work placement elements, they do not know where those placements will be. It is impossible for those students to properly plan. Young people who come through clearing are often scrabbling around; by that point, purpose-built accommodation is already taken, and private rented properties are already snatched up.

We could push back the point at which a landlord would know whether that property was vacant. If the students want to stay, there is no problem: the landlord is still going to get the rent, and for the landlord there is no argument there. But if the landlord knew only a few months beforehand—perhaps a two-month or four-month notice period—then students would be deciding in July or August about what accommodation they would be living in. That would give students who had gone through clearing or were going into work placements much better options in the private rented sector.

I worry that, without my amendment, we are locking in many of the problems of the student market. I would struggle to withdraw my amendment, because I think it improves the Minister's amendment: it does what he is trying to do, but without the unintended consequences.

Matthew Pennycook: I thank the Minister for his explanation, but it lacked detail; I am still not particularly clear on the Government's rationale for drafting and tabling the amendment as it stands. I will come to the reasons why, but I want first to thank my hon. Friend the Member for Brighton, Kemptown for raising an important issue in relation to student lettings. I fully agree that we need to do much more to improve the student lettings market and drive up professionalism in it.

Lloyd Russell-Moyle: I should have declared at the beginning that I am a trustee at the University of Bradford Union of Students, which has a board member place on Unipol, the student lettings agency.

Matthew Pennycook: The Committee will have noted that. I have no doubt that lettings services run by universities and student unions have an important and effective part to play in driving up professionalism and improving the functioning of the market.

As we have heard, Government amendments 1 and 9 make provision for new possession ground 4A, which would allow a student HMO to be recovered by a landlord for further occupation by students. On the Opposition Front Bench, we take a slightly different view from my hon. Friend the Member for Brighton, Kemptown: we welcome the fact that the Government have recognised that the student market is distinct in particular ways from the rest of the private rented sector and that its protection requires a bespoke approach of some kind. We appreciate the arguments advanced by some landlords operating in the sector about the fact that much of the student market—not all of it; I will come to that—is cyclical and that landlords need a means of guaranteeing possession each year for a new set of tenants. However, we are equally cognisant of the concerns put forward by bodies and organisations representing students and their interests about the potential implications of treating student renters differently from other private tenants—the precedent that might set and the problems that might arise as a result of specific exemptions for certain types of purpose-built dwelling.

In determining whether the Government have struck the right balance as it relates to this measure, we need to grapple with the fact—my hon. Friend the Member for Brighton, Kemptown referred to this—that defining what constitutes a student dwelling is deeply challenging, given the diversity of individuals engaged in higher education and how varied their educational circumstances can be. There is also the fact that some private dwellings will be shared between students and people in employment, whether because the people working have chosen to remain in the area following completion of study or because it made sense for the student in question to move in with an individual of working age who was already at work when they signed their tenancy agreement.

Paragraph (a) of the proposed new ground 4A makes clear that it may be used for houses in multiple occupation and where each tenant is a student at the beginning of the tenancy. Is the implication of the paragraph that, to make use of the ground, a landlord would have to verify at the point the tenancy was signed that every individual who would occupy the property was in fact a student? If a landlord let a house, for example, to two students and one person working full-time, would they not be able to make use of new ground 4A? If it is the case that landlords cannot use new ground 4A to gain possession of a household of, say, part-time students sharing with full-time workers, can the Minister explain whether the Government have undertaken any assessment of the impact of the new possession ground on the availability of rental housing, particularly in towns and cities with large student populations where, as my hon. Friend said, the supply of student housing is already under enormous pressure? I know that, too, from my own constituency.

A further complication is added into the mix by sub-paragraph (a)(ii), which provides for use of the ground where

"the landlord reasonably believed that the tenant would become a full-time student during the tenancy".

That strikes us as an incredibly low evidential threshold to have to meet. Can the Minister explain how on earth landlords will be expected to prove that such a belief is legitimate? Who will they need to satisfy, if anyone, that there are reasonable grounds to assume that a non-student tenant will become a student during the lifetime of the tenancy?

We are genuinely concerned that Government amendment 9 as drafted could be abused by unscrupulous landlords following the enactment of chapter 1 of part 1 of the Bill. Relying on paragraph (a)(ii), one could easily imagine landlords evicting groups of, say, young working tenants sharing a property using the justification that

they believed they intended to become full-time students before the tenancy agreement expired. We would venture that the courts themselves will struggle to ascertain whether a landlord has proved the new ground by relying on sub-paragraph (ii) and that most evictions under 4A, like other mandatory possession grounds, will probably not even arrive before a judge—the tenants will simply leave, the threat having been made. We would welcome further clarification from the Minister about why sub-paragraph (ii) has been included in the proposed new clause and would like some robust assurances that it cannot be abused to facilitate section 21 no-fault evictions by the back door.

Another complication arising from the wording of the new clause concerns paragraph (c) on lines 11 and 12 of the amendment paper. That states that new ground 4A can be used to gain possession only between 1 June and 30 September in any year. However, as hon. Members with student populations in their constituencies will know, a large number of UK universities now also accommodate a winter intake in January. They do so not only for postgraduate students; it is now also the main secondary intake for some undergraduate courses. Given that the proposed new possession ground is available for use only during June and September, we are concerned it could have the unintended consequence of impacting detrimentally on the availability of other properties for students to let at other times of the year, given that under the proposed new ground there is an inherent incentive for landlords to let only on the primary summer-to-summer cycle.

If it is the Government's intention to ensure that there is a cyclical availability of student accommodation, we suspect that they may need to think again about how it is achieved for students whose academic year starts and finishes at times other than those specified in the amendment. Moreover, even for those students who finish their courses in the summer, there is a wide degree of variation between undergraduates, who will usually finish earlier; postgraduates, who may be working on research projects until a much later date; or undergraduates undertaking placements.

3 pm

For example, a landlord could give two months' notice under new ground 4A, as currently drafted, on 1 April for a student to leave their accommodation on 1 June. For postgraduate students—medical students would be a good example—who may still be working hard into July or even August, we fear that the fact that landlords are likely to seek to evict them before their course completes using the new possession ground, simply because it can be utilised only in a narrow, three-month window, will result in unacceptable strain, when individuals are already under pressure from their placements or studies.

We agree with the Government that the student market requires a tailored approach to ensure that its particular features and dynamics are catered for. However, while in no way doubting the scale of the challenge—we think it is a challenge to come up with an amendment that does the job the Government are seeking to do—we are not convinced that they have got this quite right. In the absence of any convincing assurances that would allay the various concerns I have outlined, we are inclined to encourage the Minister and his officials to go away and think carefully about whether the amendment might be improved to guard against any unintended consequences that might arise from it.

Jacob Young: Let me address some of the hon. Gentleman's questions straightaway. On whether a landlord will have to check that the tenants are students, they must do that at the beginning of the tenancy. They can be fined if they try to use these grounds without having notified the students that they are in student accommodation and that the grounds are therefore included.

The hon. Gentleman asked if everyone in a property must be a student. That is the case; if the property is mixed occupancy, the ground will not apply. On his point about reasonable belief, that is specifically in relation to first-year students who have not yet become a student. A landlord can reasonably believe that a student taking out a tenancy is to become one, but until they are a student they are not technically one just yet.

The ground is designed to cover the majority of the market. Were we to make the ground available all year round, it would give much less security and open it up to much greater abuse.

Lloyd Russell-Moyle: That is why it is better to swap in my amendment on this point. Rather than working with the universities on the particular cycle they might have in their local area, we are trying to legislate for term times here in Westminster, but it does not work. Will the Minister go away, maybe when the Bill goes to the other place, and rethink how we can have a clause that requires landlords to work with a university to ensure that letting is in line with the relevant local term times and not our attempts to legislate for these things here? I get what the Minister is trying to say.

Jacob Young: I completely take the hon. Gentleman's point. Obviously, on the back of the conversations we have had today, we will consider these measures further. The ground has been carefully designed in consultation with stakeholders—landlords, universities and so on—to facilitate the annual cycle of short-term student tenancies. That is why we specifically created that gap in the change in the academic year.

Matthew Pennycook: If I have understood the Minister correctly, he has made a commitment to go away and think further about this. As it stands, is there anything in the Bill that would protect students whose courses are not on that summer-to-summer cycle from being evicted through the use of the new mandatory ground? We do not think there is, which is why we think the Government need to think again. Is anything forthcoming or in the Bill that is designed to protect against the problem I spoke about—postgrads or others who go beyond the summer cycle? It may be a minority of students, but it is still a significant minority.

Jacob Young: I undertake to write to the hon. Gentleman with the assurances he seeks. We have designed the ground carefully with landlords, because we have listened to their concerns, particularly about the student market. None of us in Committee today would want to end up in a situation where, on Royal Assent, we were not able to facilitate student accommodation.

Mike Amesbury: I want to probe the Minister a little more on the point that the landlord "reasonably believed" someone could be a student. Some time ago I was a councillor in Fallowfield, which had large areas of student accommodation. Some of those were mixed tenancies, but people would have made an assumption—would have reasonably believed—that all the people who lived there were students. Is that covered? Is the clause tight enough?

Jacob Young: As I said, everyone in a property would have to be a student. It would be an obligation on the landlord to ensure that they are students or that he or she reasonably believes that they are students. We will follow the Bill with statutory instruments plus guidance; we can make it clear in the guidance what we expect. For those reasons, I ask the hon. Member for Brighton, Kemptown not to press his amendment.

Mike Amesbury: It is about evidencing that. It would be in the guidance, but what kind of evidence would the landlord need to provide?

Jacob Young: I am not in a position to outline that today. I have made it clear that, in terms of a landlord reasonably expecting someone to become a student, that would hinge on them starting term in the very near future. I think that that is clear, but we will set that out further in guidance. For those reasons and others, I ask the hon. Member for Brighton, Kemptown not to press his amendment.

Lloyd Russell-Moyle: The Minister has given a good rationale for his amendment. Paragraph (d) requires the landlord, in the next letting cycle, to be letting out to exclusively students or those he believes to be students. How will we assess whether the property has been let out to students exclusively? That is the only point of the clause. Will the property portal be an opportunity to record information about whether the house is a student let, so that we can be clear when the tenancy is signed and when the next tenancy is released that it is a reserved student property?

Jacob Young: It is likely that a new contract would have to be signed with the new tenants, who would be students, for this to be used. It would be unusual for a judge to think that, "I thought all of these people were suddenly going to become students," would be a reasonable argument to use this ground. I do not think the hon. Gentleman's points have merit, and I ask him not to press his amendment to a vote.

Lloyd Russell-Moyle: I am not inclined to press my amendment, because the Minister has given assurances that he will go away and rethink the clause. I am still not happy about the clause, and we will see what we do on the substantive issue, but there are problems with paragraph (d). The provisions do not work with the universities; they set things in Westminster, rather than saying that the property should be protected because it has been let via an approved university letting agent or the university itself. That seems like a solution the Minister could grab. It would solve his term dates problem, his "Is it going to be let to students?" problem and his "Is it being let to students?" problem. In fact, every single question we have would be solved by my amendment. The Minister has said, and I will take it in good faith, that he will go away, look at this and see how things could be amended, and I will push him on Third Reading on what ideas he has come up with.

Amendment 1 agreed to.

Matthew Pennycook: I beg to move amendment 137, in clause 3, page 3, line 32, at end insert—

"(4) The Secretary of State must lay before Parliament a review of the changes to grounds for possession made under this Act within two years of the date of Royal Assent."

This amendment would require the Government to publish a review of the impact of the amended grounds for possession within two years of the Act coming into force.

The Chair: With this it will be convenient to discuss new clause 54—*Review of changes to grounds for possession*—

"(1) The Secretary of State must, within two years of the date of Royal Assent to this Act, conduct and lay before Parliament a review of the grounds for possession in Schedule 2 of the Housing Act 1988, as amended by this Act.

(2) The review must include—

(a) an assessment of the effectiveness of the new or amended grounds for possession set out in Schedule 1 of this Act in securing evictions from properties;

(b) an assessment of the impact on the security of tenure of tenants as a result of the use of the new or amended grounds for possession set out in Schedule 1 of this Act;

(c) a report on the use of enforcement action in relation to the new or amended grounds for possession set out in Schedule 1 of this Act;

(d) an assessment of the effectiveness of the grounds for possession listed in Schedule 2 of the Housing Act 1988 in securing evictions from properties that remain unamended by Schedule 1 of this Act.

(3) The review under subsection (1) must make such recommendations as, in the opinion of the Secretary of State, are necessary in the light of the findings of the review."

This new clause would require the Government to publish a review of the impact of the amended grounds for possession within two years of the Act coming into force.

Matthew Pennycook: Clause 3, as we have discussed, amends the grounds for possession in schedule 2 to the Housing Act 1988. Once section 21 has finally been removed from that Act through the provisions in clause 2 and the commencement dates in clause 67, the only means by which a landlord will be able to regain possession of a property by evicting a tenant will be by securing a court judgment under the revised section 8 grounds set out in schedule 2 to the 1988 Act, whether they be mandatory or discretionary. We have already debated concerns relating to several of those grounds, and we will debate more in due course when we get to schedule 1. However, we believe it is important to also take a view on the proposed replacement possession regime as a whole, given that it is the most comprehensive reform of the grounds in that regime in the 35 years since the 1988 Act came into force.

Labour recognises, and has repeatedly said since the White Paper was published, that following the abolition of section 21 no-fault evictions, landlords will need recourse to robust and effective grounds for possession in circumstances where there are valid reasons for taking a property back, such as flagrant antisocial or criminal behaviour. However, we have also made it clear that the Bill must ensure that such grounds cannot be abused to

unfairly evict tenants and that they will be tight enough to minimise fraudulent use of the kind we have seen in Scotland in the wake of the major private renting reforms introduced there in 2017.

The revised set of section 8 possession grounds must reflect the fact that evictions, which are inherently disruptive and often incredibly damaging to tenants' lives, should be only ever a measure of last resort where no alternative course of action exists. The grounds must be proportionate, secure against abuse from landlords seeking to carry out unfair or retaliatory evictions, and designed effectively so that properties are recovered only when a tenant is genuinely at fault, and they must not cause tenants undue hardship.

Amendment 137 and new clause 54 would require the Government to publish a review of the impact of the amended grounds for possession regime within two years of the Act coming into force. With that requirement, whether individual grounds for possession are further amended, as we hope, or the Government resist our efforts and the grounds remain as drafted, we will at least be able to judge the efficacy and impact of the new arrangements both for landlords seeking to recover their properties when a tenant is genuinely at fault and for tenants who are not at fault but who may suffer as a result of flaws in the regime. We think the amendment is entirely reasonable, and I am interested to hear how the Minister will, no doubt, resist it.

Lloyd Russell-Moyle: I rise to support the amendment. The Minister has already indicated that there is work still to do and that he will go away and see how this will work in practice. Clearly, some of these issues will come out when the Bill receives Royal Assent.

These are sensible measures with which nobody—landlords or tenants—could really disagree. We can no longer have a set of grounds that have been stuck in time for 30 years, and Bills that only add things on from time to time, without stepping back and looking at the changes that have occurred, whether those relate to students—the Minister is pushing for the measures on students to be included in the Bill, rather than in regulations—or any of the other clauses. Consider antisocial behaviour in particular, and the concern that many campaign groups have expressed around potential domestic violence falling foul of the new "likely" or "able to" provisions.

Jacob Young *indicated dissent.*

Lloyd Russell-Moyle: The Minister may disagree. That is fine: he will get his way, and we will pass his wording, but there should then be an assurance that, in a few years' time, there will be a review of the legislation. If the Minister is right, we will applaud him—well, we cannot applaud in the House of Commons, but we will metaphorically cheer him in the House and say that he did such a fantastic job with his civil servants and the Department that the legislation is watertight. Alternatively, we will say that there are some small loopholes that need changing or that the world has changed. I do not think that that is unreasonable.

Personally, I think these sorts of provisions should be in almost all Bills we pass, but they are particularly important in this Bill, because of the dynamic nature of the market and the wholescale reforms we are making. Nobody knows what effects this will have on the courts. Nobody knows quite what effects it will have on tenants. Opposition Members are all talking about unintended consequences, which is why our proposals are so important.

3.15 pm

Helen Morgan (North Shropshire) (LD): I should have referred this morning to my entry in the Register of Members' Financial Interests. I apologise for that oversight and refer Members to it now.

I rise to support the amendment and the new clause. We have had a lot of discussion, in good faith, about the unintended consequences for the private rented sector and the impact on tenants, but much of this has been guesswork. It would be extremely sensible to have a requirement to look at this a couple of years down the line and to ask, "Have we driven landlords from the market unintentionally? Have we put tenants in an insecure position unintentionally?" It would be remiss of any Government to fail to assess the impact of their legislation.

Ms Buck: I really do hope that the Minister will concede on this point. One of the striking themes that emerged in the evidence sessions was just how little we know about what is happening in the private rented sector. It is to the shame of the Government, and probably even the previous Government, that this massive transformation in the life of the country and throughout the housing stock, which is affecting millions of people, has happened without us having accurate data to assess the impact. We are struggling to catch up in so many respects.

We will no doubt be talking more about the changing grounds for possession in the context of antisocial behaviour and rent arrears but as has been reinforced—we just need to keep saying this—the people in the private rented sector who we have the most concern about are those whose equivalents were not in the private rented sector 20 or 25 years ago. Their patterns of need, the patterns of demand they place on the sector and the risks they have to face are also quite different.

Families with children, families experiencing domestic violence and those with all kinds of vulnerabilities, including serious mental health problems, addictions or learning disabilities, would for the most part not have been in this situation before, but they are now having to be accommodated. It is not only that they are in the private rented sector in a way that they were not before, and are at risk, but that they are disproportionately impacted by harsh decisions that cause them to lose their homes. They face a higher risk and are worst affected.

I do not know whether all Members have experience of this, but any Member of Parliament with a larger private rented sector will be experiencing the consequences and will have traumatised families coming to them with problems who will perhaps be facing eviction and be in distress. That is often for completely trivial reasons or because of circumstances that arise simply out of misunderstandings or the failure of the bureaucratic and social security systems to catch up.

It is the most basic and sensible thing to do to ensure that there is a proper data review and that we make up for the fact that we have spent several decades now

[Ms Buck]

trying to understand a system about which we have too little information. The Minister has a chance to put that right.

Jacob Young: I thank the hon. Member for Greenwich and Woolwich and other hon. Members who have spoken on amendment 137 and new clause 54. We all agree that it is vital that the Government keep such an important set of policies under review. We must ensure that the grounds for possession are providing adequate security to tenants and functioning effectively for landlords, too.

We are committed to robustly monitoring and evaluating the private rented sector reform programme. Our impact assessment for the Bill, which has been published online, sets out our plans for evaluation. That builds on the Department's existing long-term housing sector monitoring work, and we will conduct our process, impact, and value for money evaluation in line with the Department's recently published evaluation strategy. Setting an arbitrary deadline in law for that work might detract from the quality of evaluation and prevent us conducting as robust an assessment as possible. I therefore ask the hon. Member to withdraw his amendment 137.

Mike Amesbury: Why could this not be added to the current evaluation plans? Surely good law is about assessment of the planning, implementation and then review. Given the nature of the current marketplace and how it can shape things, particularly for those who are out of sight or are vulnerable in the current population, surely that two-year review would be good law.

Jacob Young: I appreciate the hon. Gentleman's point, but it is not usual for us to include such a review on the face of the Bill.

Matthew Pennycook: I thank the Minister for his response, but it is a little disappointing, and I want briefly to say why.

The point that my hon. Friend the Member for Westminster North made is absolutely right. Unlike in other sectors, we really have no idea of the composition of the private rented sector. That is one reason why the portal is so important: it is such a potential game changer that we can start to get that information, but we do not have it at the moment, so we do not know what the impact of these reforms will be, nor do we know the impact of the changes to the grounds for possession.

I want to bring it home to the Committee that the changes to the grounds for possession are not small. We have new grounds that could potentially work in ways that the Government do not intend; we also have significantly amended grounds. We really need a more formalised review than the Department's ongoing review process that the Minister has set out.

I urge the Minister to think about that point. If the two years set out in amendment 137 is the wrong deadline or, as he sees it, an arbitrary deadline, we would welcome the Government coming forward with some more formalised means of reviewing the impact not only on tenants, who might find themselves at the sharp end of abuse on some of the grounds, but on landlords, for whom the new grounds simply may not work in the way the Government want. I will not press the amendment to a vote, but I encourage the Government to think about whether we can have something beyond the usual departmental processes. I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Clause 3, as amended, ordered to stand part of the Bill.

Schedule 1

CHANGES TO GROUNDS FOR POSSESSION

Amendment proposed: 143, in schedule 1, page 65, line 10, leave out "6 months" and insert "2 years".—*(Matthew Pennycook.)*

Amendments 143 and 144 would prohibit evictions under grounds 1 and 1A within two years of the beginning of a tenancy.

Question put, That the amendment be made.

The Committee divided: Ayes 7, Noes 9.

Division No. 4]

AYES

Amesbury, Mike	Morgan, Helen
Buck, Ms Karen	Pennycook, Matthew
Glindon, Mary	Russell-Moyle, Lloyd
McDonagh, Siobhain	

NOES

Aiken, Nickie	Mohindra, Mr Gagan
Bailey, Shaun	Spencer, Dr Ben
Britcliffe, Sara	Tracey, Craig
Firth, Anna	Young, Jacob
Hughes, Eddie	

Question accordingly negatived.

Amendments made: 2, in schedule 1, page 65, line 34, after "sell" insert

"a freehold or leasehold interest in".

This amendment makes it clear that the ground of possession that the Bill creates for when a landlord is selling a dwelling-house (Ground 1A) is available where the landlord's interest is a leasehold one as well as where the landlord holds the freehold of the dwelling-house.

Amendment 3, in schedule 1, page 65, line 35, after "dwelling-house" insert

"or to grant a lease of the dwelling-house for a term certain of more than 21 years which is not terminable before the end of that term by notice given by or to the landlord".

This amendment makes the ground of possession for when a landlord is selling the dwelling-house (Ground 1A) also available to a landlord who is granting a lease of over 21 years.

Amendment 4, in schedule 1, page 66, line 10, after "sell" insert "their interest in".

This amendment is a clarification to better express the availability of the ground of possession for when a landlord is selling the dwelling-house to landlords whose interest is leasehold.

Amendment 5, in schedule 1, page 66, leave out lines 15 to 17 and insert—

"(ii) a body registered as a social landlord in the register maintained under section 1 of the Housing Act 1996,

(iia) a body registered as a social landlord in the register kept under section 20(1) of the Housing (Scotland) Act 2010,".—*(Jacob Young.)*

This amendment expands on the term "registered social landlord" in Ground 1A (for landlords who are selling) to make it easier to see that the Welsh and Scottish registers of social landlords are the ones referred to here.

Amendment proposed: 194, in schedule 1, page 66, line 23, at end insert—

"(e) the landlord has offered to sell the property to the current tenant at the same value at which the landlord intends to list the property for public sale and the tenant has informed the landlord within four weeks of receiving the offer from the landlord that the tenant does not intend to buy the property at this value."—*(Lloyd Russell-Moyle.)*

This amendment would require landlords wishing to issue a notice for possession on the basis of Ground 1A to offer the current tenants the right to buy the property at the intended listing value before it goes onto the market.

Question put, That the amendment be made.

The Committee divided: Ayes 6, Noes 9.

Division No. 5]

AYES

Amesbury, Mike	McDonagh, Siobhain
Buck, Ms Karen	Pennycook, Matthew
Glindon, Mary	Russell-Moyle, Lloyd

NOES

Aiken, Nickie	Mohindra, Mr Gagan
Bailey, Shaun	Spencer, Dr Ben
Britcliffe, Sara	Tracey, Craig
Firth, Anna	Young, Jacob
Hughes, Eddie	

Question accordingly negatived.

Jacob Young: I beg to move amendment 6, in schedule 1, page 66, line 28, after "sell" insert

"a freehold or leasehold interest in".

This amendment makes it clear that the ground of possession for when a landlord is selling the dwelling-house after a rent-to-buy agreement (Ground 1B) is available where the landlord's interest is a leasehold one as well as where the landlord holds the freehold of the dwelling-house.

The Chair: With this it will be convenient to discuss the following:

Government amendment 7.

Amendment 147, in schedule 1, page 66, line 29, after "dwelling-house" insert

"or to offer it to another tenant".

This amendment would allow private registered providers of social housing to use new ground for possession 1B to offer properties to another tenant.

Jacob Young: Government amendments 6 and 7 will apply to ground 1B, which ensures that private registered providers of social housing can gain possession if they want to sell, dispose of a lease on or grant a lease on a rent-to-buy property, having first given the sitting tenant the opportunity to buy it. Many private registered providers will sell their rent-to-buy homes to the existing tenants on shared ownership terms, but where they do not, they will be able to sell the home to another buyer on the same terms as those on which they had intended to sell to the sitting tenant. The amendments are technical changes to ensure that ground 1B works as intended; they will simply ensure that there is no ambiguity about what selling means. They will support the operation of rent to buy.

I thank the hon. Member for Greenwich and Woolwich for tabling amendment 147, which would expand ground 1B. As I have set out, the Bill already takes steps to allow rent to buy to continue to operate in the new system. We are aware that stakeholders are concerned about the issue of providers selling to a different tenant from the sitting one; I will carefully consider that issue further.

I commend Government amendments 6 and 7 to the Committee, and I ask the hon. Gentleman kindly not to press his amendment.

Matthew Pennycook: I rise to speak to amendment 147, which stands in my name and the names of my hon. Friends the Members for Weaver Vale, for North Tyneside and for Brighton, Kemptown.

As we have discussed, schedule 1 specifies the reasons that landlords will be able to seek possession once the new tenancy system has come into force. As the Minister has explained, paragraph 4 of schedule 1 provides for a new mandatory ground 1B, which will require a court to award possession when private registered providers of social housing are selling a property under a rent-to-buy or London living rent arrangement. Social landlords will be able to use the new ground only where the defined period stated in the rent-to-buy agreement has expired, and to do so they will have to have complied with any terms in the relevant agreement that require them to offer the sitting tenant the opportunity to purchase the property.

The Bill is concerned primarily with the private rented sector, but it has implications for social housing providers in a number of different areas. New mandatory ground 1B relates to one of those, namely affordable products, offered by registered providers, that are designed to enable tenants to use the savings accrued by sub-market rents to save up for a deposit and ultimately purchase the property at a price no more than market value before it is offered for general sale. New ground 1B will ensure that rent-to-buy schemes, including London living rent, will remain viable in the new tenancy system by providing a mechanism for possession to be gained to sell the property at the end of the scheme in line with the terms of agreement.

Although the new ground is absolutely necessary, the proposed drafting would prevent it from being used when a rent-to-buy property is not being sold but when a new tenant is moving into it. A hypothetical example was given by the chief executive of the National Housing Federation, Kate Henderson, in Tuesday's evidence session:

"you have somebody who is in a rent-to-buy property, has been there for five years and has decided that they do not want to buy it or they cannot buy it; we would like the ground available so that that property could be given to another tenant who would like to use the property as it was intended and designed to be used—as a rent to buy."—[*Official Report, Renters (Reform) Public Bill Committee,* 14 November 2023; c. 52, Q63.]

3.30 pm

Amendment 147 would ensure that the new mandatory ground could be used in precisely the terms set out for the Committee by Ms Henderson, thereby enabling a product that—let us bear in mind—is supported by Government grants through the affordable homes programme to continue to operate as intended where a property has not been sold but the tenancy needs to be

transferred. It is a simple, straightforward and reasonable amendment. I have no doubt that the Government will incorporate it into the Bill at some stage; I would welcome some positive noises in that respect from the Minister.

I will touch briefly on Government amendments 6 and 7. Government amendment 6 simply makes it clear that ground 1B includes the sale of a leasehold interest as well as a freehold interest. That is obviously necessary, and we welcome it. However, can the Minister tell me—I am happy for him to write to me; these are very technical points—whether the amendment would include a commonhold interest? Presumably it should, as commonhold is a form of freehold, but given the Government's seemingly lukewarm position on commonhold reform—I do not want to pre-empt the Bill that may be published in the next week or two—we would like some clarity in that respect.

Government amendment 7 would ensure that ground 1B can be used where the landlord proposes to grant a lease. We are concerned that there is potential for abuse there. I would be grateful if the Minister reassured the Committee about what would prevent a landlord from deciding—drawing explicitly on the amendment—to grant a sham lease to a family member or connected company simply for the purposes of utilising ground 1B.

Jacob Young: The points that the hon. Gentleman raises are fairly technical in nature, so I will endeavour to write to him as soon as possible; I will copy in members of the Committee. As I have already outlined, I will consider his amendment 147 carefully in the further steps of the Bill.

Matthew Pennycook: I think that that is about as positive a response as will come, so I look forward to what may be forthcoming from the Government.

Amendment 6 agreed to.

Amendment made: 7, in schedule 1, page 66, line 29, after "dwelling-house" insert

"or to grant a lease of the dwelling-house for a term certain of more than 21 years which is not terminable before the end of that term by notice given by or to the landlord".—*(Jacob Young.)*

This amendment makes the ground of possession for when a landlord is selling the dwelling-house after a rent-to-buy agreement (Ground 1B) also available to a landlord who is granting a lease of over 21 years.

Matthew Pennycook: I beg to move amendment 188, in schedule 1, page 67, line 23, after "terminate that tenancy", insert

"(including any tenancy at will or other tenancy arising on expiry of a fixed-term lease)".

This amendment would extend Ground 2ZA to apply in a situation where a tenancy at will may arise.

The Chair: With this it will be convenient to discuss amendment 189, in schedule 1, page 67, line 40, at end insert—

"(c) where the intermediate landlord serves notice under this Ground, the intermediate landlord shall be deemed to continue to hold sufficient interest in the dwelling-house to maintain a continuing right to possession until conclusion of any possession proceedings."

This amendment would ensure that an intermediate landlord retains possession of the property and remains as the landlord of the occupying tenant until the conclusion of possession proceedings.

Matthew Pennycook: In her evidence to the Committee last week, in addition to the request that she made on behalf of housing associations in respect of new ground 1B, the NHF chief executive Kate Henderson also made the case for greater clarity in the Bill on new mandatory ground 2ZA. As is set out in the explanatory notes accompanying the Bill, new ground 2ZA will require a court to award possession when a social or other specified intermediate landlord

"has a superior lease and that superior lease is coming to an end",

thus enabling them to comply with the terms of the superior lease to which they were subject. The clarification for which Ms Henderson argued related to if new ground 2ZA could be used on a tenancy at will—in other words, a tenancy that arises when a tenant occupies a property with landlord consent indefinitely on the basis that either party can end the arrangement by giving immediate notice at any time.

Amendment 188 would ensure that new ground 2ZA would apply in a situation in which a tenancy at will may arise. That is particularly important for social landlords who use superior and intermediate leases to provide specialist supported accommodation.

Amendment 189 would ensure that social or specified intermediate landlords obtain possession of a property when serving notice under the ground. That would see those landlords remain the landlord of the occupational tenant until the conclusion of possession proceedings, rather than running the risk of the superior landlord becoming the landlord for the occupational tenant. We believe that these are both common-sense amendments, and we hope that the Government will accept them either today or at some future point.

Jacob Young: I thank the hon. Gentleman for tabling amendments 188 and 189, which seek to amend new ground 2ZA. I know he said they were a concern to the National Housing Federation. We have had similar conversations with the federation. The amendments would change the ground so that it would continue to apply where the superior lease should have ended but is carrying on in some capacity, either as a tenancy at will or in another form. The ground is already drafted to cover those circumstances, so the amendments are unnecessary.

The amendments would also seek to make a much broader change that would allow the intermediate landlord to retain an interest in the property after the superior lease has come to an end. That would be where the intermediate landlord has commenced possession proceedings, presumably to enable them to conclude them. It is already the case that superior leases can make contractual provision for exactly that scenario, and the Bill does not interfere with that. Where there is not contractual provision in the superior lease, ground 2ZB in the Bill allows a superior landlord to continue the same possession proceedings. That will ensure that possession proceedings can continue.

I therefore ask the hon. Member kindly to withdraw his amendment.

Matthew Pennycook: Those were two very helpful explanations of why these amendments are necessary. On that basis, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Jacob Young: I beg to move amendment 8, in schedule 1, page 68, line 25, at end insert—

"(d) after that unnumbered paragraph insert 'and—

(c) if the tenancy arose by succession as mentioned in section 39(5), notice was given to the previous tenant under Case 14 of Schedule 15 to the Rent Act 1977, and

(d) the tenancy is not an assured agricultural occupancy in respect of which the agricultural worker condition is fulfilled by virtue of paragraph 3 of Schedule 3.'"

This amendment to the ground of possession for former student accommodation requires notice to have been given under the equivalent Case in the Rent Act 1977, where the assured tenancy succeeded a tenancy under the 1977 Act, and makes an exception for certain assured agricultural occupancies which arose by succession.

The Chair: With this it will be convenient to discuss Government amendments 10 and 60.

Jacob Young: Under the new system, landlords will be required to notify their tenant, through the new mandatory written statement of terms, where they wish to regain possession through the use of what are called "prior notice" grounds. Government amendments 8 and 10 make consequential changes to the Housing Act 1988 to reflect the new "prior notice" requirements. This will preserve the enhanced security of tenure afforded to assured tenancies that have succeeded tenancies under the Rent Act 1977 and assured agricultural occupancies.

Government amendment 60 will make further consequential changes to the Housing Act 1988 to reflect new "prior notice" requirements. These requirements under the new system mean landlords will need to notify their tenant through the new mandatory written statement of terms, where they wish to regain possession through the use of what are called "prior notice" grounds.

I commend the amendments to the Committee.

Amendment 8 agreed to.

Amendments made: 9, in schedule 1, page 68, line 25, at end insert—

"New ground for possession of student HMO for occupation by students

9A After Ground 4 insert—

'*Ground 4A*

The dwelling-house is an HMO and—

(a) at the beginning of the tenancy, as regards each tenant either—

(i) the tenant was a full-time student, or

(ii) the landlord reasonably believed that the tenant would become a full-time student during the tenancy,

(b) the tenants are joint tenants,

(c) the date specified in the notice under section 8 is a date between 1 June and 30 September in any year, and

(d) the landlord seeking possession intends, on the next occasion on which the dwelling-house is let, to let it to people who are full-time students or who the landlord reasonably believes will become full-time students during the tenancy.

In this ground, "full-time student" means a person receiving education provided by means of a full-time course—

(a) of any description mentioned in Schedule 6 to the Education Reform Act 1988 provided by an institution in England or Wales;

(b) of any description mentioned in section 38(2) of the Further and Higher Education (Scotland) Act 1992 provided by an institution in Scotland;

(c) of any description mentioned in Schedule 1 to the Further Education (Northern Ireland) Order 1997 (S.I. 1997/1772 (N.I. 15)) provided by an institution in Northern Ireland.'"

This amendment inserts a new ground of possession to allow a landlord to recover possession of a house of multiple occupation let to full-time students at the end of the academic year, in order to let it to students again.

Amendment 10, in schedule 1, page 68, line 27, at end insert—

"(b) after paragraph (b) insert—

'(c) if the tenancy arose by succession as mentioned in section 39(5), notice was given to the previous tenant under Case 15 of Schedule 15 to the Rent Act 1977, and

(d) the tenancy is not an assured agricultural occupancy in respect of which the agricultural worker condition is fulfilled by virtue of paragraph 3 of Schedule 3.'"—*(Jacob Young.)*

This amendment to the ground for possession for a residence for a minister of religion (Ground 5) requires prior notice to have been given if the tenancy arose by succession after a statutory tenancy, and excepts certain agricultural occupancies from the ground.

Jacob Young: I beg to move amendment 11, in schedule 1, page 71, line 35, leave out from "authority" to end of line 36 and insert

"means a district council, a county council in England for an area for which there is no district council, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly."

This amendment makes it clear that the reference to a local housing authority in new Ground 5G in Schedule 2 to the Housing Act 1988 does not cover Welsh county councils and county borough councils.

The Chair: With this it will be convenient to discuss Government amendments 50, 61, 66, 69, 79 and 107.

Jacob Young: These amendments will make technical changes to remove separate definitions of "local housing authority" and create a single definition to be used throughout the Bill, to ensure alignment and greater simplification as far as possible. For example, Government amendment 11 excludes Welsh local authorities and includes county councils in England where there is no district council, in new possession ground 5G. I commend the amendments to the Committee.

Matthew Pennycook: I will be very brief. The Minister and I discussed this subject outside the Committee earlier. As he knows, the Levelling-up and Regeneration Act 2023 has created a new kind of authority for England: combined county authorities. However, CCAs are not referred to in these amendments, which are otherwise completely uncontroversial and whose inclusion we welcome. I just wonder whether the Minister could give us a reason, on the record, for their omission. Is it because a county council cannot ordinarily be a local housing authority, or is there another reason?

Jacob Young: I am grateful to the hon. Gentleman for allowing me to clarify. A combined county authority can exercise the functions of a district council, which will be a local housing authority, if the regulations made under the Levelling-up and Regeneration Act provide for the conferral of those functions on a case-by-case basis. As a result, the Government do not

[Jacob Young]

believe that there is any need to include combined county authorities in the general definition of a local housing authority at present.

Amendment 11 agreed to.

Jacob Young: I beg to move amendment 12, in schedule 1, page 71, line 40, for "A relevant landlord" substitute

"The landlord seeking possession is mentioned in the first column in a row of the table in this ground, the tenancy is mentioned in the second column of that row, and a person mentioned in the third column of that row".

This amendment, together with Amendment 14, allows certain social landlords to rely on Ground 6 to get possession of a property let under an assured tenancy if they intend to carry out building works.

The Chair: With this it will be convenient to discuss the following:

Amendment 148, in schedule 1, page 72, line 3, leave out "6 months" and insert "2 years".

This amendment would ensure that no tenant could be evicted on grounds of redevelopment within two years of the beginning of a tenancy.

Government amendments 13 to 15.

Jacob Young: Government amendments 12 to 15 expand the circumstances in which private registered providers of social housing can use the redevelopment ground for possession, known as ground 6. Private registered providers let out property that they know they will substantially redevelop or demolish through an assured shorthold tenancy. That allows them the use of section 21, as they are prohibited from using the existing redevelopment possession ground in almost all circumstances. The amendments widen the definition of "relevant landlord" to include private registered providers, so that they can use the ground for redevelopment in future. However, they will be able to use it only for tenancies that were not granted pursuant to a local authority nomination; that will ensure that tenants whose tenancy was granted pursuant to a local authority nomination retain their long-term social tenancy. The landlords will also be required to provide notice to the tenant before the tenancy begins, or on the day it begins, that they intend to use the redevelopment ground because they are planning to redevelop the property. That will ensure that tenants are fully informed about landlords' intentions.

The Government believe that it is essential that property earmarked for future redevelopment is still available to live in. The amendments will enable social landlords to make the best possible use of housing stock, and prevent properties that could provide a home needlessly standing empty.

I thank the hon. Member for Greenwich and Woolwich for tabling his amendment 148, on ground 6. If there was a longer period before landlords could use the ground, there would be a risk of landlords not making their properties available for rent, which could reduce the supply of much-needed homes. Landlords also need the flexibility that is a key benefit of periodic tenancies. Our proposals strike the right balance. Although the vast majority of improvement works can take place with a tenant in situ, not allowing landlords to use the ground for two years may prevent them from ensuring that a property is maintained to the required standard. I therefore ask him to withdraw his amendment.

Matthew Pennycook: I rise to speak to amendment 148 in my name and that of my hon. Friend the Member for Weaver Vale. Paragraph 18 of schedule 1 amends ground 6 in schedule 2 to the 1988 Act. As the Minister has set out, the revised ground, which remains mandatory, would require a court to award possession if a relevant landlord wishes to undertake substantial redevelopment of a property, or a part of a building in which the property is located. The landlord must demonstrate that the changes cannot be accomplished with the tenant living there.

Paragraph 18(3) of schedule 1 inserts proposed new paragraph (aa) into ground 6 in schedule 2 to the 1988 Act. New paragraph (aa) specifies that the ground cannot be used unless the landlord was authorised to acquire the property by a compulsory purchase order, or the tenancy had existed for at least six months at the date specified in the notice. The circumstances in which the amended ground is likely to be used are quite limited. However, we believe, as in the case of other mandatory no-fault grounds, that tenants deserve more security than is proposed.

I go back to a point that we have made several times today. The impact on tenants of frequent, short-notice, unexpected moves cannot be over-stated. Such instability takes a mental and physical toll. It prevents tenants from putting down roots in communities; puts them under financial strain, given the high cost of moving, which was mentioned earlier; and prevents them from saving for a deposit to buy their own home. For the millions of families with children now living in the private rented sector, it has a direct and tangible negative impact, including on children's education as a result of constant school moves.

It is not right that a tenant should continue to be exposed to the risk of a de facto no-fault eviction only six months after starting a tenancy. Any landlord who wishes to undertake substantial redevelopment—it must be substantial—that cannot be accomplished with the tenant in situ should plan for it over the long term. We therefore think it is reasonable to extend the protected period for ground 6 from six months to two years, and amendment 148 would do that.

I finish by tackling head-on the argument that the Minister continues to use: that our changes create a risk that landlords will not use their properties, which would impact supply. What is the evidence for that risk? The Government keep using the defence that landlords will exit the sector. Of course, if they exit the sector, the property is not then used for nothing; it is either sold or taken back into local authority ownership. What evidence do the Government have that measures that we propose, including this amendment, would cause landlords not to use their properties, and would therefore further exacerbate supply problems in the sector?

3.45 pm

Jacob Young: On the hon. Gentleman's questions around security, tenants will have much more security under the new system; under it, landlords will always need a reason to evict a tenant, and must be prepared to evidence that reason in court. That is unlike what happens under section 21. He referred to my comments about properties sitting empty before redevelopment. Obviously, a landlord who was looking to redevelop a property in the near future, but was not yet able to,

would not be minded to put a tenant in there unless they had reasonable means of taking back control of that property.

Matthew Pennycook: That scenario raises an interesting question that takes us back to the debate we had on ground 1. As the Minister has just argued, landlords who wish to substantially redevelop their property probably have some prior awareness of the likelihood that they will do that. If he will not accept our amendment, will he at least consider having some form of prior notice mechanism, as there used to be for ground 1 before the Government amended it, so that tenants signing up to a tenancy at least have some indication, when signing their agreement, that a landlord may seek to use this ground in the future? Then, at least, the tenant would enter the agreement fully aware that they may be evicted, with six months' notice, on that ground.

Jacob Young: The challenge in going down the route of prior notice is that there is a unique circumstance in which prior notice might be used. If we were to apply prior notice across all types of tenancies, it could be argued that it would be less obvious to tenants that they were in a unique circumstance in which prior notice was relevant. I therefore do not accept the arguments on prior notice.

Amendment 12 agreed to.

Amendments made: 13, in schedule 1, page 72, line 10, at end insert—

"(ab) if the landlord seeking possession is a relevant social landlord and is the person intending to carry out the work, the landlord gave the tenant, before the beginning of the tenancy or on the day on which it began, a written statement of the landlord's wish to be able to recover possession on the basis of an intention to carry out work mentioned in this ground, and".

This amendment provides that a "relevant social landlord" as defined in Amendment 15 may only regain possession on the basis of their intention to carry out redevelopment work if they have given a statement to the tenant of their wish to do so before the beginning of the tenancy or on the day on which it began.

Amendment 14, in schedule 1, page 72, line 14, for lines 14 to 33 substitute—

Table

"Landlord seeking possession	Tenancy	Landlord intending to redevelop
a relevant social landlord	a tenancy of a dwelling-house that was granted pursuant to a nomination as mentioned in section 159(2)(c) of the Housing Act 1996	a superior landlord
a relevant social landlord	a tenancy of the dwelling-house that was not granted pursuant to a nomination as mentioned in section 159(2)(c) of the Housing Act 1996	(a) the landlord who is seeking possession (b) a superior landlord
the unit-holder of a commonhold unit relation to which a commonhold association exercises functions	a tenancy of a dwelling-house which is contained in or comprises the commonhold unit	(a) the landlord who is seeking possession (b) the commonhold association
any landlord other than a relevant social landlord or a unit-holder of a commonhold unit in relation to which a commonhold association exercises functions	any tenancy	the landlord who is seeking possession"

This amendment, together with Amendment 12, allows certain social landlords to rely on Ground 6 to get possession of a property let under an assured tenancy if they intend to carry out building works, and allows a commonhold unit-holder who has let their unit under an assured tenancy to regain possession if the commonhold association is planning works.

Amendment 15, in schedule 1, page 72, line 37, at end insert—

"'relevant social landlord' means—

(a) a non-profit registered provider of social housing,

(b) a body registered as a social landlord in the register maintained under section 1 of the Housing Act 1996,

(c) a body registered as a social landlord in the register kept under section 20(1) of the Housing (Scotland) Act 2010,

(d) a housing trust, within the meaning of the Housing Associations Act 1985, which is a charity, or

(e) where the dwelling-house is social housing within the meaning of Part 2 of the Housing and Regeneration Act 2008, a profit-making registered provider of social housing."

This amendment is consequential on Amendments 12 and 14 and inserts a definition of "relevant social landlord" into Ground 6 (possession because of redevelopment works).

Amendment 16, in schedule 1, page 74, line 1, at beginning insert "the".—*(Jacob Young.)*

This small drafting amendment makes it clearer that the definition of "the local housing authority" in section 261 of the Housing Act 2004 applies for the purposes of the new Ground 6A in Schedule 2 to the Housing Act 1988.

Matthew Pennycook: I beg to move amendment 152, in schedule 1, page 74, leave out line 7.

This amendment would retain the existing 12-month period within which the landlord can initiate proceedings on this ground for possession.

The Chair: With this it will be convenient to discuss amendment 151, in schedule 1, page 74, line 8, at end insert—

"(c) at the end of the last unnumbered paragraph insert—

'This ground applies only where the landlord is a private registered provider of social housing.'"

This amendment would limit the use of Ground 7 of Schedule 2 of the 1988 Act to social rented housing.

Matthew Pennycook: Paragraph 20 of schedule 1 amends ground 7 in schedule 2 to the Housing Act 1988. Ground 7 requires a court to award possession if a

[Matthew Pennycook]

tenancy has been passed to someone by will or intestacy after the death of the previous tenant. The landlord has 12 months in which to initiate proceedings using this ground, or 12 months from the point when the landlord learns of the tenant's death, if the court agrees. The Government propose amending the ground to give landlords 24, rather than 12, months to initiate proceedings.

There are two issues here. The first is whether ground 7, even in its current form, is reasonable, and we are not convinced that it is any more. Why should a private tenant who is complying fully with all the terms and conditions in the tenancy agreement be put at risk of eviction purely because of the death of someone they live with? As the UK Commission on Bereavement has detailed, in the aftermath of a bereavement, renters face not only a significant and immediate loss of income in many cases, but additional costs; they have to prepare funerals and memorials for loved ones, and so on.

In those uniquely distressing circumstances, the threat of eviction should not hang over a tenant for up to a year, as it presently does. Nor should landlords, in our view, be able to use this ground for reasons that the Bill seeks to prohibit—for example, to avoid letting their property to a bereaved family who might find themselves reliant on universal credit, tax credits or housing benefit as a result of the family member's death. The UK Commission on Bereavement found evidence of that in the sector. The situation is different when it comes to social rented housing, given that stock is much reduced and there is tight rationing; that might require a council or housing association to regain possession of an under-occupied property, but we do not think the same circumstances apply to the private rented sector. Amendment 151 would limit the use of ground 7 to social rented housing, thereby abolishing its use in the private rented sector.

The second issue relates to the change to ground 7 that the Government propose. Assuming that the Minister resists our amendment 151, as I fully expect him to, we still hope that the Government will reconsider extending the period in which a landlord can initiate proceedings on this ground from 12 to 24 months. We recognise that it can often take some time to investigate, and to find evidence confirming whether a person left behind in a property after a tenant's death is a successor or inherits the tenancy. As a point of principle, however, we do not believe that private tenants who lived with someone who died should face the risk of eviction with just two months' notice for up to two years after their loss. In fact, I would go so far as to argue that seeking to double the period in which a bereaved tenant has to live with such a risk hanging over their head strikes us as a particularly callous decision. If the Government are adamant that ground 7 needs to remain in force, they should at least retain the existing 12-month timescale for applying for possession on that ground. Amendment 152 would achieve that, and I hope that the Minister will give it serious consideration.

Lloyd Russell-Moyle: I rise to support amendment 152, and particularly its spirit. I could not agree more that if a tenant is in good standing, paying their rent and not breaching any other clauses of the contract, why should they be kicked out because the named person on the tenancy has died? There are also implications for HMOs if a joint tenant dies, or where the tenancy has been passed on via will or intestacy. Where it is passed on, that will almost always be to children or partners. Very often, a lease will be in the name of only one of the family members—maybe the breadwinning family member, who will have gone through all the financial checks.

A landlord will almost invariably know that they are renting out to a group of people, but for legal and financial reasons, one name will be on that tenancy. It does not seem right that those other people would, over such a long period, possibly face eviction. My preference is for the period to last two or three months after the landlord finds out about the death, but 12 months seems a reasonable compromise that us sceptics could live with, because that is the law at the moment. I have not heard any reasons—I look forward to hearing some from the Minister—why the period needs to be extended, or why the Government think hanging the sword of Damocles over a grieving family is positive. This is bearing in mind that any other grounds can be used if the tenants are not in good standing or not behaving well.

In the social sector, there will be a duty to house a family, maybe in alternative accommodation, if they have a housing need. That duty does not exist in the private sector, so the danger is that all we are doing is putting the burden on local authorities. That family will go very quickly to the local authority, and they will be accommodated in emergency or temporary accommodation. Putting that additional burden on the local authority does not seem reasonable. It is also difficult for the authority, because effectively there is now a two-year period of potential eviction and homelessness for that family. That does not seem a good situation for either the local authority or the family. Can the Minister give some rationale for the proposal? I am particularly interested in why he thinks the period should exist at all.

Jacob Young: I thank the hon. Member for Greenwich and Woolwich for tabling amendments 151 and 152, which seek to restrict the use of ground 7. I also thank the hon. Member for Brighton, Kemptown, for his comments. Ground 7 permits a landlord to evict when a tenancy has passed on by will or intestacy, following the death of an assured tenant. Landlords will not usually be able to evict bereaved spouses or partners from their only home on that ground. Eligible bereaved spouses or partners are, by law, entitled to succeed the tenancy, as long as the named tenant did not themselves succeed. When succession occurs, the ground cannot be used.

Lloyd Russell-Moyle: My understanding is that the Minister is referring to a legal partner or spouse, unless he can reassure me that he is not. Many people might not be legally married or be in a civil partnership. That puts them at risk, does it not?

Jacob Young: I understand the hon. Member's concerns. I will write to him to clarify that point.

Amendment 152, tabled by the hon. Member for Greenwich and Woolwich, would reduce the time in which landlords can initiate proceedings back down to 12 months. We have been told by a number of social housing providers that it can often take longer to establish whether succession has occurred. Indeed, the hon. Member

for Brighton, Kemptown, mentioned that as well. That can hinder providers' ability to regain possession from someone who is not entitled to social housing, and therefore prevent the property from being occupied by someone who is.

It is right that private tenants cannot name anyone they want to succeed their tenancy, as that would leave the landlord with no control over who lives in their property. Therefore, it is vital that ground 7 remains available to both private and social landlords. The ground will not be used frequently, and provides the right balances in those instances when it is used. I therefore hope that the hon. Member for Greenwich and Woolwich will withdraw his amendment.

Matthew Pennycook: I take on board what the Minister says about the rationale for the 24-month period for social rented landlords. The situation he mentioned would not arise if he accepted amendment 151 and confined the use of the ground to the social rented sector. I will not press the amendment to a vote, but I am not convinced by the Minister's argument for why ground 7 should continue to be used in this way. I do not think it would bind the landlord unnecessarily if we said that someone who lives with a person whose name is on the tenancy, but is not their legal partner—the Minister did not refute the point made by my hon. Friend the Member for Brighton, Kemptown—should not be at risk of eviction simply because the person on the tenancy died. I worry about the implications of the threat of eviction hanging over their head for 24 months. However, as we may return to the issue at a later stage, I beg to ask leave to withdraw the amendment.

Amendment, by leave, withdrawn.

Matthew Pennycook: I beg to move amendment 180, in schedule 1, page 74, line 20, leave out "After Ground 8" and insert "Before Ground 9".

This amendment would move new Ground 8A from the list of mandatory grounds for possession (in Part I of Schedule 2 to the Housing Act 1988) to the list of discretionary grounds for possession (in Part II of Schedule 2 to the Housing Act 1988).

The Chair: With this it will be convenient to discuss the following:

Amendment 153, in schedule 1, page 74, line 20, leave out paragraph 22.

This amendment would remove the new ground for possession for repeated rent arrears.

Amendment 154, in schedule 1, page 74, line 22, leave out "three" and insert "one".

This amendment would limit the period to demonstrate repeated serious rent arrears to one year.

Amendment 155 in schedule 1, page 74, line 25, leave out "a day" and insert "two weeks".

This amendment would extend the period during which at least two months' rent was unpaid from a day to two weeks.

Amendment 156 in schedule 1, page 74, line 28, leave out "a day" and insert "two weeks".

This amendment would extend the period during which at least two months' rent was unpaid from a day to two weeks.

Matthew Pennycook: The amendments, which stand in my name and the names of my hon. Friends, concern the proposed new mandatory ground 8A that is inserted into the 1988 Act by paragraph 22 of schedule 1. For the purposes of debating this new mandatory possession ground, it is important that the Committee understands precisely what is proposed. The new ground would require a court to award possession if, over a period of three years, a tenant fails to pay at least two months of rent for a day or more on three separate occasions or, in instances where rent is required by the tenancy agreement in instalments of less than a month, at least eight weeks' rent goes unpaid for a day or more, again, on at least three separate occasions.

There is an existing ground 8 that covers serious rent arrears. That existing ground requires the court to award possession where a tenant is at least two months in arrears at the time that a notice is served and at the point of the court hearing, with an exemption provided for benefit entitlements that have not been paid. That exemption is expanded to explicitly cover universal credit payments by paragraph 21 of schedule 1.

4 pm

The Government's argument for introducing a new mandatory ground 8A is, in essence, that tenants can game the existing ground 8 by paying a nominal amount under the arrears threshold. We believe that that argument is flawed for three reasons. First, robust mechanisms are already in place to deal with the small minority of problem tenants who attempt to game ground 8, and courts use them. Tenants attempting to undermine ground 8 by persistently paying a nominal amount under the arrears threshold risk eviction through outright order under discretionary ground 10 or 11. It is well known and understood by anyone familiar with the operation of the county court system that judges take a dim view of attempts to game ground 8, and they will use the available alternative grounds to deal with them. As Liz Davies KC argued last week, when it comes to this problem, we should

"trust the wisdom of the courts".—[*Official Report, Renters (Reform) Public Bill Committee,* 16 November 2023; c. 108, Q137.]

Secondly, the argument that new mandatory ground 8A is required to address the risk of gaming in respect of the existing ground 8 is rendered frankly nonsensical by the fact that new ground 8A can be gamed in much the same way. In his evidence, Simon Mullings explained how that would happen. As he argued:

"If you get into two months or more's arrears on a first occasion and then on a second occasion, you would think perhaps you should bring your arrears down to less than two months at that point. Well, not really; not if you want to game the system. You keep your arrears at two months or more so you do not trigger the third occasion. Then, when your landlord brings you to court, that is the moment at which you then pay off the arrears and try to game avoiding a possession order. So it is perfectly possible to game 8A anyway."—[*Official Report, Renters (Reform) Public Bill Committee,* 16 November 2023; c. 107, Q135.]

Moreover, the design of the proposed new ground, as both Sue James and Liz Davies KC suggested in the evidence sessions last week, will actively encourage people who have fallen into arrears for a third time in three years not to attempt to pay off the money they owe, because they will inevitably lose their home in any event.

Thirdly—for me, this is the most important rebuttal of the Government's argument in support of new ground 8A—all the evidence suggests that the number of people seeking to game ground 8 is vanishingly small,

if not non-existent. As the co-chair of the Housing Law Practitioners Association, Simon Mullings, stated to the Committee in the evidence he gave when addressing the issue of gaming:

"I have only seen one example in 25 years of that occurring."—[*Official Report, Renters (Reform) Public Bill Committee,* 16 November 2023; c. 107, Q135.]

He went on to explain that, in that case, the tenant then became subject to a suspended possession order under ground 11, reinforcing the first of my reasons: the courts' existing ability to deal with the problem adequately.

Given how threadbare the case for new mandatory ground 8A is, one is forced to conclude—the Minister will know that I have not bandied this charge around casually—that the Government have chosen to incorporate it in the Bill purely at the behest of those voices in the landlord lobby who have been forced to accept, but are by no means happy about, the wider reforms contained in this legislation. We are extremely concerned about the implications of leaving new ground 8A in the Bill.

Eddie Hughes (Walsall North) (Con): I am interested in the argument that the hon. Gentleman is making, although I am slightly confused by some elements of it. Given the fact that he suggested that the likelihood of its occurrence were vanishingly small, why does he think that any landlord would lobby the Government to include something that, based on the statistics he has quoted, they have never had experience of? I can only say that in my experience, anecdotally—I do not have anything that I can reference for it—a number of people have adopted this approach previously, and it is frustrating for both the courts and landlords. However, I follow the argument that the hon. Gentleman is making; it is very interesting.

The Chair: Order. Interventions must be brief.

Matthew Pennycook: I am glad that the hon. Gentleman has decided to contribute, because he has a huge amount of experience in this area. I hope that I was as clear as possible when making the case that ground 8A can be gamed; that there are already mechanisms to deal with it under existing ground 8; and that the numbers are likely to be incredibly small. I suggest that the reason the Government included it is that tenants will collectively feel the force of the new mandatory grounds for possession, and many of them will leave their tenancy under threat of it being served, rather than it being practically served. It is a deterrent to challenging and asserting one's rights, and, as I will explain, we do not think it is necessary. We are extremely concerned about how the ground might operate and the fact that it could lead to a great many vulnerable tenants being evicted. It is a punitive and draconian measure that will cause great hardship. It is not necessary—this is the important point, in answer to the hon. Gentleman's question—to tackle genuine instances of persistent arrears or the occasional instance when a problem tenant seeks to deliberately avoid ground 8A action.

These are not tenants who might simply refuse to pay their rent. By implication, those tenants will still be dealt with under the serious rent arrears ground 8. To be evicted under ground 8A, a tenant will need to have fallen into arrears and then worked them off twice in a period of three years. Many will have paid the two periods of arrears off in full, and between them could have been fully up to date with their rent. The new ground will cover many tenants who, for whatever reason, are waiting to receive a lump sum in order to clear their arrears—people who are self-employed or struggling with late payments and those in similar circumstances. To be clear, these are people who are trying to do the right thing and doing precisely what we would expect them to do—namely, trying to put the situation right. As Darren Baxter from the Joseph Rowntree Foundation put it in the evidence he provided to the Committee,

"it is punishing people for doing the right thing."—[*Official Report, Renters (Reform) Public Bill Committee,* 14 November 2023; c. 15, Q13.]

We agree with the chief executive of Citizens Advice, Dame Clare Moriarty, who argued last week that the measure targets a group of people, many of whom "are probably in crisis". We are talking about people who are almost certainly struggling to keep afloat, people in insecure employment, or people whose lives and finances may have suffered multiple adverse shocks.

There is also a real concern that the measure will encompass particularly vulnerable groups of tenants. For example, the Domestic Abuse Housing Alliance-led National Housing and Domestic Abuse Policy and Practice Group—that is a mouthful, Mr Gray—has suggested that the new ground presents a significant risk to victims of domestic abuse, who are more likely to accumulate rent arrears due to economic abuse and the economic impact of feeling domestic abuse.

The common denominator will be that the tenants are likely to be doing everything they possibly can to retain their tenancy and their home. As Dame Clare Moriarty rightly put it last week:

"These are people who are either suffering multiple adverse life events or possibly trying to avoid losing the roof over their head by borrowing in insecure ways, but they need help and advice, not to be evicted."—[*Official Report, Renters (Reform) Public Bill Committee,* 14 November 2023; c. 15, Q13.]

The idea that we are instead talking about a bunch of people familiar enough with ground 8A of schedule 2 to the Housing Act 1988 to sit down and work out how they can game it is frankly insulting. So troubled are we by the proposed new mandatory ground 8A that, unlike with any of the other new possession grounds that the Bill seeks to introduce, we believe it should be removed from the legislation altogether. By leaving out paragraph 22, amendment 153 would achieve that, and we intend to press it to a vote.

If, as we fully expect, the Government resist the removal of new mandatory ground 8A from the Bill, we will press the Government to consider at least making it a discretionary rather than a mandatory ground. Then at least the court would have to consider whether the tenant had inadvertently fallen into arrears three times over the specified period and whether they could reasonably be expected to make up the arrears and pay their rent on time and in full going forward—an outcome that would obviously be advantageous for the landlord, who would not lose income during the void period. If the court believed that the tenant could not do so or was likely to fail to pay their rent again in the future, they could still make an outright possession order under a discretionary ground. As Liz Davies KC argued in her evidence last week, a discretionary 8A ground would not be

"a 'get out of jail free' card for the tenant, by any means."—[*Official Report, Renters (Reform) Public Bill Committee,* 16 November 2023; c. 106, Q135.]

Amendment 180 would have the effect of moving ground 8A from part 1 of schedule 2 to the 1988 Act to part 2, thus rendering it discretionary. We urge the Minister to give that serious consideration. The county courts, as we have heard, are extremely good at looking at rent arrears histories and judging whether an outright possession order is warranted.

Lastly, if the Government will not countenance removing new ground 8A entirely or making it discretionary rather than mandatory, we urge the Minister to at least tighten it in ways that will make it far less punitive. Amendments 154 to 156 seek to achieve that by reducing the period in which repeated serious rent arrears must take place from the proposed three years to one, and by extending the period during which at least two months of rent arrears were unpaid from a single day to two weeks. Those three amendments, if accepted, would at least ensure that ground 8A is utilised only in instances where a tenant is almost continuously falling into arrears for extended periods of time. As I have said, we feel very strongly about this group of amendments. I look forward to hearing the Minister's response to each.

Lloyd Russell-Moyle: I rise to support the amendments. I think this clause is particularly pernicious. I do not know whether other Members do this, but I have a tendency in the evening, when my staff have all gone home, to sit at the telephone lines, see who rings in and pick up the calls. I probably should not do that, but I like to get a feeling for who is ringing. They are usually the people who are in crisis. I do not do it every evening, so if constituents try and ring, they will not always get me, but on a Friday afternoon or evening, I will pick up the phone. Invariably, one of those people will be in crisis.

It will be the tradesperson who has again not been paid for the job that he has been working on for the past month, or perhaps the payment has been delayed—we know that there are huge problems with people paying small businesses. Or it will be the person who has been trying to scrimp and save, and has not yet gone to universal credit or any of the support agencies, despite probably being eligible, out of pride or a belief that they could get out of it. They have borrowed money from friends and family, and over a period of time repeatedly dipped down, but they always managed to get themselves back up, usually on their own terms, but this time it has just been a bit too much.

The problem is that, by the time that those people have rung my office, it is too late, because they will have dipped up and down a number of times over the past year—or three years, potentially—and the reason for their holding off getting help is because, every time before, they have managed to build back up. However, now, for the third time, we will move to a non-discretionary, mandatory ground. They will phone up their local citizen's advice bureau or their MP's office, or go round to the council, but we will be able to say only one thing: "I'm sorry, there's nothing we can do because it's a mandatory ground."

I think that that is particularly pernicious and nasty, because these are people who we know are good for it in the long term. They will often be people who can raise the money eventually but have cash-flow problems, perhaps through no fault of their own. As I said, a lot of tradespeople will suffer some of these problems. They are having to pay out money for supplies to continue their work; the money does not come in in some months, and two months' arrears can quite easily build up.

That feeling—that they might have to spend the rent to be able to buy the materials to build the building that they can get the money for—is a choice that they have to make all the time. While that is of course not encouraged, it surely is better that we encourage them to make good in the end and build themselves up, so that that does not happen repeatedly, rather than push them out. Of course, an eviction makes them more likely to spiral into further difficulties, which is why making this a mandatory measure is so unpleasant. The reality is that a payment plan, in many situations—or a deferred order in most situations—would suffice, and the courts can implement that at the moment.

The idea that we need this as a mandatory ground is also dangerous, as we have heard, because, what would my advice or an advice centre's advice be, on that third occasion? "Well, you're going to get the eviction notice anyway. Prioritise the other debts that you need to pay off, or making sure that your family have food on the table, rather than considering the rent a priority." That is not good for the landlord either. Having to reclaim money through the courts from those groups of people in a speedy manner is nigh on impossible, and eviction is not what most landlords want. They want a payment and to be able to ensure that that support is there.

It would be much better either to not have this clause or to have a discretionary ground that requires engagement with debt advice and advisers. There is also much that can be done through court processes, as we saw during covid. As I have mentioned, for section 21s and other forms of evictions, the landlord—when permitted—had to demonstrate that they had taken covid into account and had sought to advise the tenant of the support offered under the covid regime. Aspects like that need to be incorporated here. Again, it does not always need to be on the face of the Bill, but there need to be reassurances that it is incorporated in a binding way, to be able to process these elements. The Minister needs to relent on this.

4.15 pm

Ms Buck: Once again, the Government are falling into the trap of creating a system that will create problems for itself, because they refuse to accept the sheer complexity of real people's lives. Making these grounds mandatory will prevent the courts from doing what they are so good at, which is considering the circumstances that prevail in individual cases. Not only will that inevitably lead to many families and individuals who are struggling with difficult circumstances losing their homes, but it will have a direct impact on local authorities, because this is yet another driver of homelessness and other pressures on local councils. This does not do away with the problem; it moves the problem somewhere else.

Siobhain McDonagh (Mitcham and Morden) (Lab): Does my hon. Friend agree that it causes another problem for those families, because hard-pressed councils might find them intentionally homeless? Generally, if someone is evicted for rent arrears, they are found intentionally homeless. Although reference has to be made to particular circumstances, I imagine that a court order with that

[Siobhain McDonagh]

result would lead to no landlord taking them on and to the council not helping them. There are then families floating around the system, with social services ultimately taking children into care.

Ms Buck: I agree with my hon. Friend about all this. In fact, tragically, my office is dealing at the moment with a family where the children have been taken into care as a consequence. These things can indeed happen; we have touched on that occasionally in the passage of this Bill, but I just wish that the Government had not rather short-sightedly removed things like debt advice from the scope of legal aid provision. If we had been able to intervene in many of these cases, we could have prevented these problems from ending up as a crisis. The solution to that is outside this Bill.

I concede that there are undoubtedly some people who persistently fail to pay their rent. That is absolutely the case, and it drives landlords mad—rightly so. I think the rumours of it create a much larger problem than actually exists, but there are people who do it, and it is essential that there are powers for the court to deal with that. The people who are doing that will frequently disappear before the case ever gets to court anyway, and will try their luck not paying their rent with another landlord. We need powers to deal with that, but so many of the people who end up in this situation do so because of a set of very, very difficult circumstances that have thrown them into chaos.

Here are just some of the cases that my office and I have dealt with over the course of a few months. There is the small shopkeeper and private tenant who was burgled; he lost his stock and his income, and it took him a while to sort out the insurance claim, during which time he got into very serious arrears. There is the young father on a zero-hours contract who found himself, several times during the year, expecting to have an income but finding that he was not called into work for two or three weeks at a time. Each time, it caused a set of problems.

The Minister may say that that is what social security and housing benefit are supposed to be for. I do not know whether the Minister has ever tried to claim universal credit or housing benefit on a variable income, with all the documentation that has to be prepared. It is an absolute living hell.

One of the safeguards in the Bill is supposed to be that the ground will not affect people who have a benefit entitlement that has been delayed, which, as we know, reflects a structural problem with universal credit. However, many of the difficult cases involve the entitlement to benefit being disputed in the first place, and that is a whole different ball game.

I had a case not that long ago in which a mother and her three children were days away from an eviction, not because they were deemed not to be entitled to benefit, but simply because after a relationship breakdown the benefit claim had for some reason not been transferred, despite repeated efforts. Over three years, that led to huge arrears. Each time, it was settled, but then the same structural problem occurred yet again, which left the family vulnerable. We were able to sort it out, but the case would not have fallen under the safeguards that the Minister will no doubt claim apply in this case.

Siobhain McDonagh: Does my hon. Friend agree that one of the groups of people for whom it is most difficult to get housing benefit or universal credit correct is self-employed minicab drivers, because of the difficulties in assessing the costs involved in being self-employed? They regularly get a decision on their benefit claim only to have it change and have money taken back, while they remain on exactly the same income.

Ms Buck: I absolutely agree. It is an issue for the self-employed; the very small businesses operating at the margin; the people who, because of the structure of our labour market, dip in and out of employment and have highly variable earnings; and the people who are on zero-hour contracts. It is exactly those people who end up in difficulties. It would be lovely if the system had the competency and level of provision to help those people, but all too often it does not. Many young people and vulnerable people—for instance, after a relationship breakdown or a bereavement—do not know where to go for advice. They try to help themselves and fail to do so.

Ground 8A is both disproportionate to the scale of the problem and unnecessary, because there are powers in the system to deal with rent arrears anyway. It will inevitably lead to further evictions, which will be concentrated among those people who have the biggest problems, who will end up making claims for homelessness support from local authorities.

The Minister does not need to go down this route. As my hon. Friend the Member for Greenwich and Woolwich said, if the Government do not want to go all the way to removing the reformed ground 8A, which would be the simplest way, there are layers of protection that could be built into the system. The Minister should trust the courts: that is what they are for. They are good at this, they are experienced at this, and they know how to tell a charlatan from somebody with genuine and complex problems. The measure will place an unnecessary burden on the most vulnerable people, and I genuinely believe that the Minister will have cause to regret its implementation.

Jacob Young: I think we can all agree that it is better for a tenancy to continue where possible, and we encourage landlords and tenants to work together when rent arrears arise. However, sometimes a tenancy cannot be sustained, and in such instances it is right that landlords have certainty. Ground 8A is intended to support landlords when a tenant is repeatedly falling into serious arrears. It will also prevent tenants from repeatedly paying down a small amount of arrears to frustrate possession proceedings brought on ground 8.

Ms Buck: As this point was raised with the Minister, can he share with the Committee the statistics that demonstrate the scale of that problem?

Jacob Young: I shall endeavour to write to the hon. Lady with such evidence, if there is any.

The Government have set a high bar for the ground. Tenants must fall into serious arrears three times within a rolling period of three years, which is already a significant financial burden for landlords to bear, particularly at a time of rising costs in the sector. Amendments 153 to 156 and 180 seek to narrow the

ground. They propose that each instance of arrears must last two weeks, rather than one day, and must fall within a one-year period. That is simply too high a financial cost to ask landlords to bear. It would severely limit the availability of the ground.

The ground must also remain mandatory. As the Committee has heard, there is already a discretionary ground, ground 11, for persistent delays in rent payments, but that does not offer certainty to landlords. Ground 8A is intended to give certainty to all parties: a defined threshold that can lead to eviction. We therefore think that the ground strikes the right balance. I ask that the hon. Member for Greenwich and Woolwich withdraw the amendment.

Ordered, That the debate be now adjourned.—*(Mr Mohindra.)*

4.26 pm

Adjourned till Thursday 23 November at half-past Eleven o'clock.

Written evidence reported to the House

RRB33 Lola Sanakulova
RRB34 Centrepoint and St Basils
RRB35 Nationwide Foundation
RRB36 London Renters Union
RRB37 Charlotte Jones