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HOUSE OF COMMONS
OFFICIAL REPORT
GENERAL COMMITTEES

Public Bill Committee

RENTERS (REFORM) BILL

Third Sitting

Thursday 16 November 2023

(Morning)

CONTENTS

Examination of witnesses.
Adjourned till this day at Two o'clock.

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor's Room, House of Commons,

not later than

Monday 20 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

Witnesses

Judicaelle Hammond, Director of Policy and Advice, Country Land and Business Association

Helen Gordon, Chief Executive Officer, Grainger plc

Richard Miller, Head of Justice, The Law Society

Nimrod Ben-Cnaan, Head of Policy and Profile, The Law Centres Network

Jacky Peacock OBE, Head of Campaigns, Advice for Renters

Jen Berezai, Co-founder, AdvoCATS

Public Bill Committee

Thursday 16 November 2023

(Morning)

[Yvonne Fovargue *in the Chair*]

Renters (Reform) Bill

11.30 am

The Chair: Good morning. Is it the wish of the Committee that we go into a private session?

Hon. Members *indicated dissent.*

The Chair: I remind the Committee that *Hansard* colleagues would be grateful if Members emailed their speaking notes. Please switch all electronic devices to silent. I am afraid that we cannot allow tea and coffee during sittings.

We are meeting today to continue hearing oral evidence relating to the Renters (Reform) Bill. Before we hear from today's witnesses, does any Member wish to make any declaration of interest in connection with the Bill?

Lloyd Russell-Moyle (Brighton, Kemptown) (Lab/Co-op): I receive income support for my office to operate the all-party parliamentary group for renters and rental reform, and from renters' organisations. I receive rent from a tenant in my personal home and am on the legal working group of a housing co-operative federation.

Helen Morgan (North Shropshire) (LD): I am the joint owner of a house that is rented out for residential lets, and I am a vice-president of the Local Government Association.

Craig Tracey (North Warwickshire) (Con): I am the joint owner of a commercially let property that is held in a pension fund.

Eddie Hughes (Walsall North) (Con): I am the joint owner of a property that is let out.

Dr Ben Spencer (Runnymede and Weybridge) (Con): May I take your advice, Ms Fovargue? My understanding was that we only have to make our main declarations at our first meeting. Do we have to reiterate them each time?

The Chair: You will have to reiterate them each time.

Dr Spencer: In that case, I declare an interest: I receive support, in particular as set out in my entry under category 2(a) on the Register of Members' Financial Interests, from individuals with an interest in this area.

Mike Amesbury (Weaver Vale) (Lab): I am a vice-president of the LGA and I let out a property.

Examination of Witness

Judicaelle Hammond gave evidence.

11.32 am

The Chair: We will now hear oral evidence from Judicaelle Hammond, director of policy and advice at the Country Land and Business Association. We have until 11.45 am; I remind all Members that matters should be limited to those within the scope of the Bill and that we have to stick to the timings. Could you please introduce yourself for the record?

Judicaelle Hammond: I am Judicaelle Hammond; I am the director of policy and advice at the Country Land and Business Association. We have 26,000 members in England and Wales, who own and manage land-based businesses.

Q98 Matthew Pennycook (Greenwich and Woolwich) (Lab): Thank you for coming to give evidence to us. Your association and members have expressed concerns about the impact of measures in the Bill on rural businesses and communities. Could you give us some detail about those concerns and how you think any changes to the Bill might mitigate them?

Judicaelle Hammond: We are looking at the Bill very much from the rural perspective, and there are differences between rural and urban areas. A survey of our members in 2020 found that 90% of respondents provided some form of private rented housing. In a more recent survey, we found that 23% of respondents' properties were let out at less than 80% of market rent, which means that CLA members are, in effect, key providers of affordable rural housing.

We represent rural landlords, but we also represent rural businesses that are trying to grow. To do so, they mostly need staff, and staff need somewhere to live. The private rented sector provides flexibility and solutions for people who either cannot or do not wish to buy. However, we are worried because the private rented sector is shrinking at an alarming rate: Government figures suggest a reduction of 16.5% between 2018 and 2021 in the number of privately rented homes in areas defined as rural. That is in line with what we are hearing on the grapevine. I should probably say that one thing that the CLA does is provide one-to-one, bespoke advice to members, including on the legal aspects of residential properties.

In 2023, we ran a member survey with a particular focus on housing in England. It suggested that 44% of rural landlords are planning to sell some of their properties over the next two years. Of those, 90% said that that was mainly for two reasons. The first was stricter minimum energy efficiency standards, which are expensive as well as technically difficult to implement in the kind of properties that our members have; the second was removal of section 21, which brings us to this Bill.

Our members are concerned because, at the moment, section 21 provides reassurance that they can get a property back relatively quickly if their personal circumstances change; if their business need changes, which is quite prevalent in rural areas; or if, God forbid, something is going wrong with the tenancy. That is something that section 8, both in its current form and in its new form, would not provide, because of the need for a court hearing. That is why we would want a court

system that works. Actually, members would ideally prefer to have a version of section 21 at their disposal, albeit perhaps with a longer notice period.

Q99 Matthew Pennycook: We all want a court system that works. We hope we will get one at some point! Separately from that, what are the particular concerns about the amended grounds for possession in the Bill? Can you give us a sense of what your members want the properties back for, if it is not one of the categories that, say, ground 1 or ground 1A allows for? Are we talking about the very real problem in coastal and rural communities of people switching over to short-term lets and second-home sales?

Judicaelle Hammond: No, it is none of those things. In terms of the alternative set of grounds, I think some new grounds in the Bill are really helpful, such as the incoming agricultural workers ground, the employers ground and the ground for repeated rent arrears. Where we would want to go further comes within two buckets: an economic bucket and a compliance bucket.

In the economic bucket, the new mandatory ground for possession for an incoming agricultural worker is great. We would like it extended, because although 85% of rural businesses have nothing to do with agriculture, quite a lot of them still need to house employees. For example, they could be in tourism, hospitality, trades, food manufacturing, forestry or the care professions, which we tend to forget. There is something about rural areas, just by dint of geography and the fact that they might be away from other places, so extending that ground would be very helpful.

Still in the economic bucket, there is another scenario. Here we are looking at properties being required to house an outgoing or retired agricultural worker or another protected tenant whom the landlord has a statutory duty to house and who is being moved to suitable alternative accommodation. This is in cases in which there is a new employee who will replace, as part of the business, an outgoing employee, but the landlord either still wants to house that outgoing employee or has a duty to house them. They might therefore need another property in which to house that retired employee or that protected employee. That is the second ground.

The third ground is where a landlord intends to use a property, or the land on which it is situated, for a completely non-residential purpose, by which we mean making it a workshop, turning it into an office or putting it to a commercial use. These are the three grounds in the economic bucket, if you like.

I have another two grounds, in terms of compliance with statutory duties, that are not yet in the Bill and which I will go over quickly. It is more than just a rural issue, but we are hearing quite a lot about it in our case load. The first is a landlord needing possession to undertake works required to meet statutory obligations—for example, minimum energy efficiency standards or the proposed decent homes standard. In some of the properties that our members have, the works that will be needed are so extensive that you cannot do them with a sitting tenant; you need to regain possession. The second ground that we would like to see is where there is a persistent refusal by a tenant to allow in a landlord or their agent for a statutory inspection, for example for gas and electricity safety. You would be surprised at how often this is the case.

Q100 The Parliamentary Under-Secretary of State for Levelling Up, Housing and Communities (Jacob Young): Thank you to our witness. You mentioned wanting to get a property back in case there is a problem with the tenancy. Do you welcome the changes that we are making to abolish fixed-term tenancies?

You further mentioned the CLA's opinion on section 21. In terms of reforming the court system, what changes would you want to see before the CLA would be happy to see the abolition of section 21?

Judicaelle Hammond: If you do not mind, I will take your last question first. I think there is a need to reduce the time between making a court application and getting a property back. It can be a very lengthy process, particularly if you have to resort to bailiffs. There should be a success trigger on the face of the Bill, if at all possible, so that it is measurable. If you are going to abolish section 21, it should not be on any arbitrary date; you need to have a number of weeks. At the moment, the Ministry of Justice measures the average time it takes as 28 weeks, which is quite long. We need something much shorter, at which point you could say, "Yes, the court system, as reformed, is working."

On the reforms themselves, digitisation will no doubt help. The question in our mind—given what analysis by the National Residential Landlords Association suggests as the cause of the delay—is whether that will be enough. There is a tremendous problem with the resourcing of the court system. To go back to my rural brief, we have lost 74 county courts since 2010, which has meant that the rest of the work has had to go elsewhere. It has also meant that landlords, and indeed tenants, in rural areas have to go further to go to a hearing. There is a question about resourcing as well as about making the process and system easier. Of course, there is the question of what happens after the court order has been given, so there is more to it than what is in the Bill at the moment.

The Chair: I am afraid that this will have to be the last question to this witness, so could we please have a short question and answer?

Q101 Helen Morgan: Could you expand a little on your concern about the way agricultural property can be repossessed to house an agricultural worker?

Judicaelle Hammond: I think that what is in the Bill at the moment would fit for agricultural workers. The issue is that actually 85% of rural businesses have nothing to do with agriculture, and some of them still need employees to be there, either because their shift starts early or because there is a need for them to be on the grounds as a matter of urgency. That includes workers who are not within the ambit of what is agriculture; care workers are an obvious example. If you are in a remote community, you still need to house them. If you are an employer and you have a small business—a maintenance business or a heat pump installation business, for example—you would not necessarily want to have your employees very far away. How can you recruit and retain anyone if they cannot find anywhere to live? We are hearing from a lot of members, particularly on the tourism side, who are saying, "If I want people of the right calibre to do my marketing or some of my managerial duties, I have to be able to provide accommodation as part of the deal. Otherwise, they don't come."

The Chair: I am afraid we are 40 seconds away from the end of the time allotted to the Committee to ask questions. Thank you very much, Ms Hammond, for coming to give evidence.

Examination of Witness

Helen Gordon gave evidence.

11.44 am

The Chair: We will now hear oral evidence from Helen Gordon, who is chief executive officer at Grainger. We have until 12 noon. Could you please introduce yourself for the record?

Helen Gordon: Good morning. My name is Helen Gordon. I am the chief executive of Grainger plc, the UK's largest listed residential landlord. We have 10,000 homes; we specialise in mid-market and affordable homes. We have been around for 110 years—not me personally!—so we have experience of dealing with much of what is in the Bill. Thank you for inviting me.

We support the policy intent of the Bill. We think that there are some unintended consequences in the detail with respect particularly to the grounds for possession, but also to the minimum term of two months and how that might deplete housing stock in the UK.

Q102 Matthew Pennycook: Thank you for coming to give evidence. You will no doubt touch on your wider concerns in answer to other questions, but I want to ask you specifically about student accommodation, in which I think Grainger has an interest. Am I right?

Helen Gordon: No, we don't have student accommodation.

Q103 Matthew Pennycook: I have got that wrong; my apologies. In that case, could you expand on the concerns you touched on in your introduction about the grounds for possession and the notice period?

Helen Gordon: I think the Bill's intent was to give security to occupiers. Encouraging long-term renting is absolutely at the core of the build-to-rent business model. One of the difficulties we have is that a minimum term will affect both the planning for build to rent and the financing of it. It will also have an impact on small buy-to-let landlords, as most of their financing has a requirement in it for a minimum term. I do not know whether the Committee is going to speak to the banks about that, but two months would be in breach of most lenders' requirements. It is definitely in breach of a lot of capital requirements for going into the professional build-to-rent sector as well.

Q104 Matthew Pennycook: Would you accept that if the private rented sector is overhauled and improved, for example if we drive up standards, there should hopefully be a trend towards tenants not needing to move out after that minimum period, and we should have a system in which people have security and have less reason to stay in a property for only a short time?

Helen Gordon: I think that that is absolutely the intent, and it is the business model. I want to talk about the fact that there is a lot of bad practice. If you go now to Rightmove's website, or wherever, you will pay significantly more for a short-term tenancy than you would for a six-month or 12-month tenancy. People will abuse that. Searches of Rightmove's data will give you only a certain amount of data, but we have data showing that in London up to 10% of the people wishing to rent only want to rent for a couple of months. Not having a minimum term greater than a couple of months will lead to a lot of Airbnb and transient renting. That is why, in planning, Westminster City Council and many other councils insist on a minimum term for rental property. The two months approach in the Bill seems to fly in the face of that.

Q105 Jacob Young: Thank you to our witness. You are proposing that tenants should not be allowed to give notice to end the contract for the first six months. What would you say to someone who says that it is unfair for a landlord to be able to end a tenancy early, after less than six months, when a tenant is not able to end it early?

Helen Gordon: Just to clarify, I think a minimum term of six months would work. That could be four months with two months' notice. There is a balance between the two. Most landlords will work with a tenant if they make that decision. What I am trying to stop is the abuse of sub-letting and the unintended consequences of financing. Obviously, there is all the protection, so if it does not meet the minimum home standard, it is in breach or it was misrepresented to the tenant, they have all of those grounds, in any event, to leave. But if their circumstances change, I think most landlords would work with the tenant on that.

Q106 Jacob Young: On Tuesday, we discussed the antisocial behaviour grounds. Do you have any thoughts on that?

Helen Gordon: Absolutely. We have real live examples that I am happy to share with the Committee. We do differ. A minimum build to rent is usually at least 50 homes. The majority of Grainger's properties are around 250 in a cluster. If you get antisocial behaviour, that can have a very detrimental effect on the whole of the community—we build communities.

Evidencing antisocial behaviour often requires you to get neighbours to make complaints and witness statements, at times when they have been personally intimidated. I have a very live example where we literally had to empty the six properties adjacent to the property causing a problem, and it took something like 15 months to get the ground for possession through the courts.

So we would really welcome lowering the bar on antisocial behaviour. I would particularly like it to reference sub-letting and party flats. There is quite an industry, which, fortunately, Grainger does protect itself from, where people take a property and then sub-let it as a party flat at weekends, causing disruption to the whole block.

Q107 Lloyd Russell-Moyle: I have two quick questions. First, the Government are proposing a registration scheme for party flats and Airbnbs, and they are consulting on it at the moment. I understand your concerns, but how does the registration scheme fail to address them? Secondly, I am aware that Grainger has talked in the past about how it uses the consumer prices index and wage inflation to increase its rents, particularly for the build-to-rent market. Could you expand on whether it is still Grainger's view that it is possible to use some sort of maximum capping clause on rent?

Helen Gordon: Can I take your first question first? There is a difference in terms of what we would generally say is a party flat. Grainger forbids these things in its lease, and the prospect of anybody who is already in contravention of the lease—probably not paying rent and making a profit rent out of the party flat—going through a registration scheme is pretty unlikely. I am talking about illegal sub-letting as far as the lease is concerned, and illegal party flats.

Lloyd Russell-Moyle: And breaches of the lease are grounds for—

Helen Gordon: Exactly. With the one we put in the representation on the Bill, it took us almost £200,000 and well over a year where we inadvertently let to someone who had a party flat.

Lloyd Russell-Moyle: So you want it to be more explicit—

Helen Gordon: Explicit on the grounds of possession.

Thank you for also referring to the CPI. For family homes, Grainger offers at least a minimum term of five years, if people want a five-year term. To give people certainty, we have offered CPI uplifts. Obviously, CPI has been quite high until recently, and in our submission originally we said there could be an equivalent of a triple lock, so it could be CPI or another index—wage inflation is a good one because it is linked to people's ability to pay. That is actually how Grainger currently views how our rents progress in terms of affordability—it is very much linked to wage inflation. Those are just some ideas that we had at the time. To be clear, that is in-lease; it is not forever and a day.

Lloyd Russell-Moyle: I think we are all talking about in-lease.

Q108 Nickie Aiken (Cities of London and Westminster) (Con): I just want to go back to your point about these party flats. What the Government are consulting on now, which Lloyd referred to, should address that, and also the other consultation on the current 90 days in London. Can you explain what you meant about what Westminster City Council is doing? It has always done the 90 days since the Deregulation Act 2015. That is not just Westminster City Council; it is the whole of London.

Helen Gordon: Yes, you are right; it is across London—some people do not. Westminster is particularly good at it, because of tourism. People come to London for the summer and purport to take a six-month property, and the reality is that they could give notice on day one that they are leaving in two months—it is a cheap form of Airbnb. So this is really to try to put down roots for longer-term communities.

Q109 Nickie Aiken: That is what the Government are doing under the Levelling-up and Regeneration Act 2023.

Helen Gordon: But under the Bill, the ability to serve notice on day one will inadvertently allow short-term letting through the back door.

Q110 Helen Morgan: On Tuesday, we heard from a number of representatives of renters and landlord associations that a minimum term would be helpful in some circumstances, whether or not that is a two-year minimum term to try to provide the security and build the communities you have described. Do you think that that would be a good idea? How might it work in practice, in terms of some of the notice periods people might be able to give and allowing flexibility for people whose circumstances change?

Helen Gordon: The business practice on build to rent was quite often to give a one-year, three-year or five-year lease to offer that, with the CPI uplifts within it. Most landlords are happy to give a minimum of 12 months or two or three years. In our case, because we are a longer-term landlord and we know that we will not require the property back for us to live in it, we have offered longer leases. I suppose the in-perpetuity tenancy does away with that need, but linked to that is giving tenants certainty on where their rent would go. Within that, if we had for example put CPI—and we had a very high level of CPI at the end of 2022—our customers could still give two months' notice; they can leave within that minimum term as well.

The Chair: I am afraid that this will probably be the last question to the witness, so can we have a short question and answer please?

Q111 Eddie Hughes: Very briefly, then, can you tell us the current typical length of a tenancy in one of your properties? Has this Bill affected the pipeline for properties that you will develop in future?

Helen Gordon: The average stay, excluding our regulated tenancies—many of them have been with us for 40 years—is 32 months. We offer six and 12-month tenancies, but most people like to take a 12-month tenancy.

Has the Bill affected us? We are probably unique in the fact that we have a very good central treasury team, but I know that, for peers in the industry, it is curtailing their ability to invest in the sector until we can sort out that minimum two months, which will affect their financing. I know that others have actually rowed back from investment. The statistics are out there: you can see a drop in the number of schemes coming forward.

The Chair: I call Mike Amesbury, very briefly.

Q112 Mike Amesbury: What is your view of the proposed ombudsman for the private rented sector?

Helen Gordon: Obviously, we already have the courts, the first-tier tribunal and the ombudsman. Grainger's view is that we would like to improve renting across the UK and for it to be mature and sustainable. If we feel that we have a gap at the moment with the courts and the FTT, I think we could work with an ombudsman.

The Chair: As there are no further questions, I thank Ms Gordon for her evidence. We can now move on to the next panel.

Examination of Witnesses

Richard Miller and Nimrod Ben-Cnaan gave evidence.

12 noon

The Chair: We will now hear oral evidence from Richard Miller, the head of justice at the Law Society, and Nimrod Ben-Cnaan, head of policy and profile at the Law Centres Network. We have until 12.30 pm for this panel. Could you both introduce yourselves for the record, please?

Richard Miller: I am Richard Miller. I am head of the justice team at the Law Society.

Nimrod Ben-Cnaan: I feel I should give a slightly longer introduction, as the lesser party here. My name is Nimrod Ben-Cnaan. I am head of policy and profile at the Law Centres Network. The Law Centres Network is a charity; it is a membership body that represents law centres. A law centre, for those who do not know, is basically a law practice that is a charity: it gives free legal advice on social welfare legal matters. Our point of insertion into this debate is very much on the side of representing tenants across the country—we have 42 law centres doing so—and delivering one in five of the duty desks that are available through the legal aid scheme for possession proceedings.

Q113 Matthew Pennycook: Gentlemen, thank you for coming to give evidence. As you know, the Government have tied the enactment of chapter 1 of part 1 of the Bill to court improvements. The best sense we have of what they mean was set out in the response to the Levelling Up, Housing and Communities Committee, which covers four target areas: digitisation; prioritisation of certain cases; improving bailiff recruitment and retention; and providing early legal advice and better signposting. Is that your understanding of what court improvements might mean, or are there things outside the scope of that? How would we measure that? What could we put in the Bill so that we have some specific metrics by which we are able to judge when the abolition of section 21 will happen and when chapter 1 of part 1 of the Bill will come into force? How do we determine when court reform is sufficiently advanced?

Richard Miller: That is as comprehensive a view of what they mean by reform as we have. We have concerns about this idea of putting digitisation ahead of implementation. To give an example, we can look back at the HM Courts and Tribunals Service programme and what happened in private family law. They announced the project to digitise that in August 2020; through 2021, there were various workshops and engagement with the professional and other users of the system to help them to design and build the system; and then there were roll-out plans. The original project was scheduled to finish at the end of December 2022, but it is still ongoing, and the roll-out has not yet been completed. So we are now more than three years down the line and still just about approaching the end of the roll-out of that project.

That is not to be critical of HMCTS. It is vital that it engages with users, understands what the functionality of the systems needs to be, and designs them robustly so that they deliver what will work. There are always teething problems when you roll out these systems, and inevitably it takes a long time. We would be very surprised if this could be done in less than two years.

The fundamental question that underpins all this is why you would design a build around the current processes in law when you are fundamentally changing them. We would all be guessing as to what functionality will be required in a new digitised system. There is a strong argument to say that it would be better to implement the new system before undertaking the digitisation, so that you understand what your digital platform actually needs to achieve. So there are some real concerns about whether we are getting the cart and the horse the wrong way round on that.

More broadly, there are some genuine concerns about the capacity of the system at the moment. We are seeing significant backlogs within the courts. An example was recently provided to us by a member of ours who was representing a landlord. The landlord had issued a section 21 notice and applied to the court for the possession order, but the court took so long to issue the proceedings that the possession order expired—the time limit came to an end. The court had to issue a new notice and fresh proceedings, but the same thing happened again. The administration within the courts is not coping even at the moment.

We expect that the provisions in this Bill will lead to a significant increase in the number of contested hearings, so there is substantial concern about the capacity of the system to handle the workload that will come with this change. There needs to be investment to increase capacity, and that also needs to extend to legal aid. Landlords' solicitors, as much as tenants' solicitors, have told us that they need tenants to be represented. Landlords do not want to be up against unrepresented parties in contested hearings: it is bad for the landlords, it is expensive for the landlords and it is expensive for the court, which has to put a lot more resources into dealing with litigants in person. There needs to be substantial investment in legal aid, as well as in the court system, if this change is going to work effectively.

Nimrod Ben-Cnaan: I would agree with most of what has been said. As Richard has said, the court reform programme has been running since 2016, and we have known that possession reform was coming, even though it has now been delayed a little further than was expected. Using that now as an excuse to delay what is otherwise a long-promised measure—the repeal of section 21 and the like—feels unnecessary and misdirected. That is partly because, again, the pinch points are elsewhere and the kind of work that we could do to prevent cases from even getting to court, by expanding early legal advice through legal aid, is so much more significant. Frankly, rather than waiting at the cliff edge to help people showing up for their day in court, law centres would rather advise them at an earlier point to resolve disputes earlier and to talk people out of making a defence that will not do them any good. All of those things would substantially reduce the burden on the courts.

Q114 Matthew Pennycook: Just to be clear, do you agree with Mr Miller that we should introduce the new system and then look to improve the courts, or do you think that it would be fair to instead specify metrics for what we mean by improvement and then put a time period in place for it to happen?

Nimrod Ben-Cnaan: Our opinion is that, as I think Polly Neate said on Tuesday, the Government should hold its nerve and not wait at all. We can do this without that. There will be a surge; there are other ways to address that surge. That is our opinion.

Q115 Jacob Young: Thank you to both our witnesses. This question is specifically for Mr Miller. I am a little confused by your argument, because you seem to be suggesting that we should implement the changes to section 21 before court reform, but you then say that the courts are currently overwhelmed and that there would be more contested cases, therefore overwhelming the courts even further, if we were to abolish section 21

straight away. Could you clarify the points that you are making about that? What could we do to improve the court system today, before we bring in the changes to section 21?

Then, on Nimrod's point about resolving cases before they even get to court, which I think is really relevant, I would be keen to know how you think the ombudsman could be used in such dispute resolution.

Richard Miller: In response to the issue of digitisation, our view is that digitisation is one part of the picture only, and it is a part of the picture that will take a long time and involve quite a bit of investment. Fundamentally, the issue is that we do not know exactly what functionality will be required of the system until we have implemented the process.

Let us suppose that the digitisation programme did not exist. We would be saying, "As long as the courts have the resources to handle the cases, that is fine." That is what we are saying should happen here: digitisation should be on the cards—it should be something that we intend to do over the coming years—but the starting point is to make sure that the courts are resourced to handle the cases as they are conducted at the moment. That does mean more judges, more court staff to process applications and more investment in legal aid, but the digitisation is not a necessary prerequisite to get the courts into a state where they can handle this workload.

Q116 Jacob Young: Your point is specifically around digitisation, so it is not necessarily about court reform as a whole. Specifically on digitisation, do you think that we could do section 21 before that?

Richard Miller: That's right, yes. Digitisation is absolutely necessary. It is disappointing, but we understand the reasons why it has not happened already. It is a major project and we need to have the system that will be in place for the foreseeable future before we start building the digital systems to cope with that system.

Nimrod Ben-Cnaan: On your point about the ombudsman, Minister, there is little to comment on in the Bill. The shape outlined in the Bill is just that: an outline of an idea that has been suggested by various parties. You have heard some of them in previous sessions, and that might be useful in their own terms. Our concern has always been that the ombudsman would be used to displace, specifically, tenants' access to the courts when they need it, and through that to displace the provision of legal advice that would otherwise be available for them. We would like to ensure that tenants have a good, reliable source of information and advice about their rights, what they can act on, how they can act on it and the support to do so. On the ombudsman, well, let us see that idea get fleshed out in detail.

I was heartened to hear from the Department's officials that the intention is not to have the ombudsman somehow displace access to courts, for example, with disrepair claims, which would be so important to us. The court still does, and can do very well, the kinds of things that the ombudsman cannot do at all—be that through things such as establishing fact, applying the law, interpreting the law and sometimes being able to issue injunctions when there is, for example, an unlawful eviction. A law centre would normally be able to step in and stop that right there and then, in a way that the ombudsman would not even have the power to do so. Actually, we have a lot going on with the courts at present, and we should resource them and resource the allied measures to make the most of them.

Q117 Ms Karen Buck (Westminster North) (Lab): Could I just go back to the issue of advice and representation? You both made the point that there are strong arguments for tenants being represented. Will you tell us what those arguments are? In practical terms, what are the consequences at different levels—within the courts, and also going back to issues such as homelessness—of people not being represented and having advice? Can you give us an indication of how the level of service is spread out across the country? Are there particular places and areas where there are difficulties for tenants in getting representation?

Richard Miller: The Law Society has published a number of maps showing the availability of legally aided housing advice across the country. Those have shown, over time, that the picture is getting worse. The number of law firms and law centres delivering these services is reducing. We now have something like 42% of the population without a housing provider on legal aid in their local authority area. By definition, the sort of people we are talking about—those who are financially eligible for legal aid, where very often the issue is that they are unable to pay their rent—cannot afford public transport to travel significant distances to get the advice they need. Local provision of advice is vital.

The problem we have—there may well be many people around the table who are not experts in the legal aid system—is that the last time the remuneration rates for legal aid were increased in cash terms was in the 1990s. That is what the profession is up against, and that is why more and more firms have decided that it is not economically possible to carry on delivering these services. We are seeing an absolute crisis in the state of legal aid provision across the country, and that needs to be addressed. I will pass over to Nimrod to deal with the consequences of people not being represented.

Nimrod Ben-Cnaan: Things have got so bad that even delivering the duty desk at court—the scheme that we are so reliant on to make possession work well for all parties—is difficult. In the last procurement round, the Legal Aid Agency had such problems sourcing providers in the greater Liverpool area—Merseyside, if you like—that there was a reliance on transitional arrangements. If you have a large urban centre where a legal aid firm should be able to make a sustainable business but is not able to do so, we have a real problem.

In terms of the kind of impact that legal aid services could offer us, I would say that the current scope of legal aid needs to be addressed, not just the remuneration. Ten years ago, in the Legal Aid, Sentencing and Punishment of Offenders Act 2012, the scope cut to legal aid was such that a lot of early intervention to help people was taken out of scope, so you are basically incentivised to let problems escalate. It is the wrong way round, and even the Government are realising that in their current review of civil legal aid. If you get in early, you are able to divert people from the court wherever possible. You get to represent tenants wherever possible, lightening the load of the court, and you get to give assistance for as long as it is needed, rather than by adhering to whatever original parcels you were apportioned by legal

aid. There is an opportunity here to make a secondary provision to legal aid that would help to prop up the system through this transition.

Richard Miller: To build on that, some unrepresented tenants do not bring cases that they could and should bring and do not enforce their rights; others bring cases that are misconceived, and that has an impact on the landlord, who has to defend the misconceived case, and on the courts, which have to put in resources to hear it. When these cases go to court, whether they are validly brought or misconceived, unrepresented tenants very often do not understand the processes and what is required of them, so they do things wrong and have to have things explained to them. That means that the courts have to put a lot more resources into managing the case than they would if the tenant was represented, so there is a whole range of ways that landlords and courts—and therefore the taxpayer—are adversely impacted by tenants being unrepresented.

Q118 Helen Morgan: You mentioned the problem that 42% of the population cannot access a legal aid provider in their area, and we heard earlier from another witness that there is a shortage of courts in parts of rural Britain. You have just described Merseyside, and I am not sure there is an obvious geographical disparity there, but do you see a geographical disparity between rural and urban areas, or in specific parts of the country where it is much harder to obtain legal aid?

Richard Miller: Certainly what we have seen in the data is that it was the rural areas that were the first to be impacted. We are now seeing a lot of market towns up and down the country where there is no provision, and the position in the cities is getting ever worse and ever tighter. It was definitely the rural areas that were the first impacted, but this is now a nationwide problem.

Q119 Helen Morgan: Do you think that both tenants and landlords are adversely impacted by that, or is it more the tenants or more the landlords?

Nimrod Ben-Cnaan: Landlords are beyond my remit—I only represent the other side—but yes, tenants are very much impacted by it. This is something we see, anecdotally, in support of the quantitative evidence that the Law Society has generated. The closure and consolidation of the courts over the last 13 years has been so significant that whenever a court closes, the remaining possession lists in nearby courts get lengthened, so there is an added burden on the remaining courts.

Another big problem in possession cases is that tenants defending possession of their home just do not show up, because they have not been advised early, so they do not know if they should. It could possibly improve their prospects. There is a whole gap in the structure of support for renters that has been missing for several years, and it would be quite simple to replace. You would see the beneficial difference in the medium term.

Richard Miller: Just to reflect on the position of landlords, for the reasons I have explained, landlords have a disadvantage where they are up against an unrepresented tenant. Some landlords are just individuals renting out properties on their own. They may also struggle to find accessible housing advice. They are not generally dependent on the legal aid system, so that aspect is not a problem for them. But some housing firms act for both tenants and landlords, so if they are closing down their housing departments, that may make it more difficult for some smaller landlords to get the advice that they need. The bigger and more commercial landlords will generally have solicitors that they are instructing all the time, so it is less of an issue for them—apart from, as I say, the impact on them of tenants being unrepresented.

Q120 Siobhain McDonagh (Mitcham and Morden) (Lab): Can I just say to Nimrod that I am greatly helped by South West London Law Centres in my constituency? I am very grateful for the work they do, particularly at the emergency and routine desk at Croydon county court. I can only imagine what that is like on a daily basis. Lots of very vulnerable tenants turn up with absolutely no advice, and the best advice I give to them is to get there really early and get to the front of the queue. I imagine all sorts of things happen to tenants and landlords in those courts that are not fair or reasonable, but because nobody is represented, or it is very difficult to get representation, it is difficult to avoid that.

On reforming the whole county court system, what can be done other than to resource it better and provide better advice to people? I can only imagine the amount of time-wasting going on because people are desperately in search of help. Currently, at Croydon county court, it takes 16 weeks on average to get a bailiff's warrant after a possession order is secured. On the other end, we have the local authorities that are desperate to delay for as long as they can, because they do not have anywhere to put people. What is the resolution to that?

Nimrod Ben-Cnaan: It is a tough one, for two reasons. First—this has been mentioned in previous sessions—a separate housing court should probably not be set up. That is partly because if you already have a system that is starved of relevant—mainly judicial—staff and has had its budget starved, creating a separate jurisdiction that would need to have its own of everything makes no sense. The Government are right not to create a separate one. In effect, we have a housing court that works—when resourced—fairly well in the county court. This is something that I have heard Richard talk about before, and certainly we are very strong about that.

Our understanding of where justice begins for people needs to go well beyond the court doors. That is why we keep mentioning the advice sector, legal aid and other measures. I would also include in that public legal education and helping people understand their rights as tenants, which we are not doing nearly enough. Those kinds of support would not necessarily, in themselves, create a more efficient justice system, but they would create the kind of solutions that many people seek in it, rightly or wrongly, and which they could reach elsewhere. I am sure Richard has more on that.

Richard Miller: This is one of the ultimate challenges. If we are being asked how you can improve the situation without quite a bit of significant investment, my answer would be that you cannot. The point—this is so often overlooked—is that if you take that step back, you are still spending the money. You made the point that local authorities have to pick up the burden of homeless families. A bit of early advice to sort out the housing benefit might have meant that the family was never homeless in the first place, with huge savings to the public purse and in relation to pressures on the system.

Early advice can stop cases getting to court at all and make sure that cases are better dealt with when they do go to court.

All that investment saves substantial sums. That is even before we get on to housing disrepair, where there is an impact on people's health and the stress that is caused, which has an impact on the health service as well. There are substantial savings for the health budget in getting these things right early as well. It is penny wise and pound foolish to think we save the money here and to not look at the broader costs that we incur as a result of those tiny savings.

Q121 Matthew Pennycook: There is concern about a number of the either amended or new grounds for possession. I want to ask you specifically about the changes made to ground 14 and what they might mean for courts on the ground—specifically the change in the Bill's wording from "likely to cause" to "capable of causing". What do you think that means on the ground? Is there any concern from the point of view of county courts about that change, and is there perhaps a need, if the change is made, for at least guidance to the courts on how you differentiate genuine antisocial behaviour from instances of domestic violence, mental health crises and so on?

Richard Miller: From the Law Society's point of view, we do not take a view on the specific wording. We note that this is a still a discretionary ground and so the courts have the opportunity to look at all the circumstances and determine what is a proportionate response. That, we feel, gives a degree of protection. Beyond that, we do not have any views one way or the other about the change in the wording there.

Nimrod Ben-Cnaan: We, however, do have quite a few concerns about that, mainly arising around case load, as you will probably recognise from yours in the community. Broadening the definition of antisocial behaviour from "likely to cause" to "capable of causing" nuisance is almost designed to catch out patterns of behaviour that could be interpreted as antisocial but which may, in fact, reflect mental health crises or domestic abuse. It is particularly worrying in situations in which the nuisance is more of a modality, as in the example of a tenant who is a hoarder but whose hoarding affects him alone and is not an environmental menace may be caught up in that ground. It needs a lot of clarification, although we are very glad that it is a discretionary ground.

The Chair: I am afraid that that brings us to the end of the time allotted for you. Thank you very much to both of you for attending and for the evidence that you have given.

Examination of Witness

Jacky Peacock gave evidence.

12.30 pm

The Chair: We will now hear oral evidence from Jacky Peacock, who is the head of campaigns for the organisation Advice for Renters. We have until 12.45 pm for this panel. Could you please introduce yourself for the record?

Jacky Peacock: I am Jacky Peacock from Advice for Renters, which I guess does what it says on the tin. We have a legal aid contract to deliver advice that we complement with other services, such as money and debt advice, and so on. We also have a brilliant team of volunteer mentors who provide support for our clients when they need it. After the last session, I should add that we could not provide the legal aid service without getting independent grants from charitable trusts; it does not even cover the salaries or the fees, let alone the overheads.

Q122 Matthew Pennycook: Thank you for coming to give evidence to us. Chapter 3 of part 2 sets up a new database as a prelude to the portal, and we very much welcome it. We think it is actually one of the more exciting aspects of the Bill that could really make a difference. Assuming you agree with that, do you think there are any ways in which we might want to amend the Bill to be more prescriptive about what the portal needs to do and what conditions those registering on the portal need to meet? Do you have any concerns about how the portal might potentially operate?

Jacky Peacock: Yes. I did listen to some of the sessions that you had on Tuesday and I was quite frustrated because, with all the problems that people were grappling with, they were not being seen in the context of the portal and its potential to avoid or minimise—certainly lessen—the problems that have been cited. So yes, it absolutely has a huge potential, and I think that it would be crazy to try to implement this legislation without having the portal in place. Although the intention is that it will be introduced through regulations, I do think that as the Bill progresses through the legislative process, the more flesh that can be put on the bones of it, the better.

I am trying to be as brief as I can. One reason why we think this is so important, although much in the Bill is welcome, particularly the measures to improve tenants' rights—so that they can exercise their rights and will have security, can challenge poor conditions, and so on—is that we do have to be realistic. At the end of the day, the majority, if not the vast majority, of tenants will have no more idea what is in this Bill or what their rights are when it is enacted than they do now. If there is anything more important than giving the tenants the right to challenge poor conditions, it is ensuring that they do not have poor conditions to start with.

The portal has the potential to regulate the sector so that landlords cannot let properties unless they are safe, fit for human habitation and competently managed. We have worked with the Lettings Industry Council, which represents all stakeholders across the board, to develop a model. We have called it the MOT, and we have used the car analogy. If you want to drive a car or any vehicle, it is a pretty simple process: you register once a year through the Driver and Vehicle Licensing Agency, you provide evidence that the car is roadworthy—of course, the MOT is separately uploaded to the site—and you have a driving licence. All we are asking for is a similar system to operate for the private rented sector.

The other important thing is that the portal is an opportunity to put all the legal requirements in one place. We are not asking for any duties on landlords that do not exist already. But they are in a whole range of different pieces of legislation, and the landlord, with the best will in the world, finds it difficult to know exactly what they are and are not supposed to do. It is all in one place. Whether it is called the decent homes

standard and incorporated in that does not matter: it is there on the portal. All the landlords who want to know how to do things properly can find it.

In order to let, landlords have to register and provide objective, independent evidence. All that exists already: the building insurance, the energy performance certificate, gas safety, electricity and so on. There is no reason why that cannot be either scraped from other sites or uploaded directly. The only thing that is missing is that you could have all those and still have a property, for example, with damp and mould that is not fit and that has category 1 hazards. The simple answer to that is for landlords to employ a surveyor to produce a surveyor's report, which also gets uploaded by that person. Provided that everything is there, the legislation goes through.

I go back to the car analogy. If you want to register, you pay your annual fee; if you have forgotten to get your car insured or something, that will be flagged up—"Gosh, I have to sort that out"—and then you go back and do it. It is all very simple, and nobody complains about it.

The Chair: Can I move on to the Minister?

Jacky Peacock: Well, that outlines it; I can give more detail about how it works if you like.

Q123 Jacob Young: Thank you very much for giving up your time. I understand what you have already said, but what are your views on applying the decent homes standard to the private sector? We could pass this Bill tomorrow, and a tenant would not necessarily know how their rights had changed. Do you agree that the simple act of abolishing section 21 is likely to give tenants more confidence when applying for tenancies?

Jacky Peacock: I think it will in a number of cases, yes, but neither section 21 nor the Bill as a whole will make a dramatic difference to the landlord-tenant balance or relationship. I know the most robust, feisty tenants, but the idea of going to court and defending themselves is terrifying. In the vast majority of cases, if a landlord tells a tenant to go, they will go; they are not going to question whether they have a right to remain or what process has been followed—they will go. We still refer to the land "lord"—a direct descendant from a feudal stage—and we have not changed that relationship very much. We need to protect tenants by making sure that, without the tenant's having to exercise the rights, even if they have them, the property is safe and competently managed.

Q124 Lloyd Russell-Moyle: Most of the grounds at the moment are non-discretionary or mandatory, and a few are discretionary. Is that balance correct, or should tenants be able to make specific hardship claims around financial issues, for example, or delay an eviction based on selling the house? For instance, if the tenant were receiving cancer treatment, they might seek a delay for a few months. Could you tell me about that distinction? Would that create more work or less?

Jacky Peacock: We think that all the grounds should be discretionary. There is no more draconian decision that a civil court could make than to deprive someone of their home. The thought that they will be prevented from looking at all the circumstances before making a decision seems, in principle, unfair. Judges are not soft. If they have discretion, they will still grant possession in the majority of cases where the evidence is there and it is the fairest thing to do. But to deprive them of being able to look at every single circumstance in any of those cases before taking someone's home away is not justice. It does not deliver justice. I have seen many cases of possession orders being issued against the tenant that have been grossly unfair for all sorts of reasons but, technically, the decision was mandatory.

Q125 Ms Buck: Some tenants are keen and able to exercise the right to purchase. What are your views on how that relationship might work in terms of when grounds are sought for a property to be put up for sale?

Jacky Peacock: I should first of all say that we are not happy with the sales ground. If a landlord wants to sell the property, we think that there is no reason that it could not be sold with the tenant in situ. Obviously, if it is sold to another landlord, that is a big advantage because they do not have to have any void periods while the property is going through the process of sale.

I also suggest, whether or not that remains a ground, that tenants should be given the right of first refusal. There is a precedent for that under the Rent Act 1977. Qualifying tenants—in other words, Rent Act tenants and/or non-leaseholders—have that right at the moment under certain circumstances. I will not tire you with the details of that, but as far as I am aware, all the parties are in favour of increasing owner occupation and this seems to be a very sensible way of doing it.

Even if individual tenants could not afford to buy, they may well have a relative that could buy it for them and they could own it eventually or it could be offered to the local authority, a housing co-operative, a housing trust or whatever. I hope that is something that is given serious consideration. It also means that the property is not being lost if landlords leave the sector. Certainly, if we have the portal as we would like to see it, a lot of appallingly bad landlords will be leaving the sector—good riddance—and that property could be bought by someone else, such as the local authority.

Q126 Lloyd Russell-Moyle: Someone going through a no-fault eviction must pay the cost of moving. Should there be some sort of recompense? Earlier this week, it was suggested that the tenant could be exempt from paying, say, the last two months' rent.

Jacky Peacock: Yes. I have not given a lot of thought to the way the legislation could cover that. To be honest, it is not unusual. We had a case recently where tenants were sharing with another family, but the landlord wanted the other family to move out. The families were sharing the rent and the landlord therefore approved £20,000 rent arrears. We were able to negotiate a date by which they would move; the landlord would not have to go to court to ask for possession, but he would not pursue the arrears.

The Chair: Thank you for your evidence and time, Ms Peacock.

Examination of Witness

Jen Berezai gave evidence.

12.45 pm

The Chair: We will now hear oral evidence from Jen Berezai, the co-founder of AdvoCATS. We have until 1 pm for this panel. Could you please introduce yourself for the record?

Jen Berezai: Hi. My name is Jen Berezai; I am the co-founder of AdvoCATS. We are a wholly voluntary non-profit organisation. On the ground in the east midlands, we help landlords and tenants where there are issues concerning pets and rented properties. We help to produce pet CVs, obtain vet references and do anything else that will help to demonstrate responsible pet ownership so that a landlord can make an informed decision about allowing a pet in their property. Nationally, we ran the "Heads for Tails!" campaign, which was launched in September 2021: it was an umbrella campaign with big names supporting our proposals for a change to the Tenant Fees Act 2019 to make renting easier both for landlords and for tenants. We had support from the Property Redress Scheme, the likes of the NRLA and Propertymark and, on the animal welfare side, International Cat Care and the National Office of Animal Health.

Q127 Matthew Pennycook: Thank you for giving up your time to come and talk to us this afternoon. You will no doubt welcome clause 7. Do you have any concerns that landlords may attempt not to advertise or let to tenants with pets on the basis that, if they offer the tenancy, under the Bill they cannot unreasonably refuse the tenant the right to keep that pet? Relatedly, do you think the Bill is robust enough on what an unreasonable refusal might mean and how it is defined and used?

Jen Berezai: Yes. We understand that there will be guidance on the grounds of unreasonable refusal, but the main reasonable excuse for refusing a pet is likely to be the existence of a head lease on a leasehold property. As I understand it, the head lease legislation is superior to that proposed by the Renters (Reform) Bill, so if there is a head lease on a property that prohibits pets, that will be a reasonable excuse. As approximately 20% of the housing stock in the UK is flats, that will have an impact on a lot of tenants. There is a huge lack of awareness within the tenant community, and among the general public, of what a head lease is and how it can affect you.

Sorry, but what was the first part of your question?

Q128 Matthew Pennycook: Do you think that there is a risk of discrimination, with landlords attempting to filter out pet owners so that they do not have to encounter the unreasonable refusal provision?

Jen Berezai: Research that we have done, along with research undertaken by the likes of Battersea Dogs & Cats Home and Cats Protection, seems to indicate that a large number of landlords would be willing to consider pets provided that they are able to protect their own interests. That is why we proposed an amendment to the Tenant Fees Bill to add pet damage insurance to the list of permitted payments. Having said that, the rental market is very hot at the moment. I believe that there are something like 20 to 25 applications per property in London. In the east midlands, I think there are about 11 applications per property, and viewings are usually closed off at about 30. That means that landlords are able to cherry-pick tenants. A lot will take the course of least resistance and choose what they perceive to be the lowest risk.

Q129 Jacob Young: What are your concerns around the Bill?

Jen Berezai: My concern is that it is an excellent step in the right direction, but it is probably going to benefit those who rent houses more than those who rent flats. That is because of the head lease issue. I know that leasehold reform is going through; it would be nice if the two things could work hand in hand. Giving landlords the ability to say either "You must hold pet damage insurance" or "I am going to charge you for pet damage insurance" will make a difference to a lot of landlords who are currently on the fence about allowing pets.

Q130 Helen Morgan: My tenant has a dog, and I was not aware that pet damage insurance was available. How widely available is it? Is there a market for people to choose a reasonably priced pet damage insurance product? Notwithstanding the fact that presumably it will mature if there is a lot of demand for it, is it there now?

Jen Berezai: It is there now. There are only a handful of companies, to be fair, but it is there now. We at AdvoCATS tend to deal with one company called One Broker, which has been providing a product for quite a few years. Premiums start from about £15 per month, which gets a landlord £4,000-worth of cover. We are aware of people developing other products, because when the Bill goes through we foresee a lot more of them coming to market. In the course of preparing the "Heads for Tails!" report, we spoke to insurance companies, including the Alan Boswell Group. It developed and launched a pet damage policy for tenants, backed by SAGIC—the Salvation Army General Insurance Corporation—specifically as a result of our campaign and what we were calling for.

Q131 Helen Morgan: One of the discretionary grounds for possession is deterioration of the property or its furnishings. Do you find that landlords use that ground where the pet has not been as well behaved as anticipated?

Jen Berezai: Yes. There is probably a bit of a grey area there. I understand that there are accepted industry standards for how long carpets should last, which are different for a couple and for a couple with children. Perhaps it is important to build in a couple, or a couple with children and/or pets, so that if a tenant is leaving a property with a 15-year-old carpet and the landlord says, "Look at the carpet—I'm going to claim on the deposit or ask you to claim on your insurance," that could be seen as unreasonable because of the age of the carpet.

Helen Morgan: It is discretionary, but that is helpful. Thank you.

Q132 Eddie Hughes: Jen, can I just say that I am a big fan of your work? I am delighted that this was included in the Bill. I appreciate that the Bill does not apply UK-wide, but we have about 35 million pets in the UK. We are a nation of animal lovers. Do landlords have a particular grievance with dogs as opposed to other pets? I occasionally babysit my daughter's house rabbits, and they eat everything: the carpet, electric cables, anything they can get their hands on. Generally speaking, do landlords have an aversion to dogs?

Jen Berezai: The first time I heard my father swear was when my rabbit ate through the telephone cable for the third time.

It tends to be split about 50:50 down the middle. Some landlords will say, "Dogs are fine, but I'm not having cats," whereas other landlords adopt the opposite position. Each can bring their own range of risk behaviour, but there is also a problem with perception versus reality. For example, Cats Protection did some research when it ran its Purrfect Landlords scheme. One thing struck me as particularly interesting: for 63% of landlords who did not allow pets, their major concern was a flea infestation, whereas only 2% who did allow cats had ever experienced any problem like that. A horror story will get more traction than a good luck story, so there is a lot of education to be done. Vet referencing should definitely be used to demonstrate responsible pet ownership. Microchipping is becoming compulsory for cats next June. If an animal is microchipped, vaccinated, neutered, and flea and worm-treated, that rules out the majority of antisocial behaviours.

Q133 Mike Amesbury: I have a quick question about insurance, which you touched on briefly. Who should pick up the tab: the landlords or the tenants? Should there be something on that in the Bill?

Jen Berezai: I think it is good that there is the option for either. We ran a survey with the NRLA and Propertymark called "What's the Damage?" because we wanted to drill down a bit deeper into the landlord's experience. Those who saw insurance as the way forward were pretty evenly split between the landlord paying for the insurance, or the tenant paying the landlord, or the tenant actually buying the insurance policy. That seems to be determined by portfolio size and, to a degree, average rent. I think it is good that there is the balance, because some landlords want one thing and some want the other.

At the moment, if you find a pet-friendly landlord, the likelihood is that they are going to charge you pet rent, which they can do under the terms of the Tenant Fees Act; it is only the deposit that is capped. The average is about £25 per pet per month, which means that you are paying £300 extra rent per pet per year. That is just per pet, whereas an insurance policy covers an address, so you can have a cat and a dog or a couple of cats—whatever it might be—and your premium is less than pet rent and the cover is greater.

Q134 Dr Spencer: I am also a massive cat lover—thank you for the work that you and Cats Protection have been doing in this area. It strikes me that some of this is about landlord attitudes. Are there any other ways in which the Government could reassure landlords with regard to taking on tenants who have pets? Could there be guidance on the interpretation of the reasonableness clause? What are the other ways and mechanisms we can use to help landlords not to be so afraid to take on tenants with pets?

Jen Berezai: One thing that needs looking at is the current "yes pets" or "no pets" option. If you go on any of the search portals, those are the only options you get. There is no option for "pets considered", but there needs to be because each case needs to be considered on its own merits.

As far as encouraging landlords goes, it is a bit utopian, but there could be some sort of incentive for a landlord not to discriminate against a pet-owning tenant. At the moment, if a landlord has 11, 15 or 20 applications for a property, they can choose the course of least resistance, take the easy option and ignore the pets. There could be some way of incentivising that, but I do not know what that might be or what might be realistic. I think it is more of an education exercise.

The Chair: As there are no further questions from Members, I thank our witness for coming to give evidence.

Ordered, That further consideration be now adjourned.—*(Mr Mohindra.)*

12.58 pm

Adjourned till this day at Two o'clock.