

Report to Overview and Scrutiny Committee

Subject: The current homelessness situation in the Borough and the impact of Section 21 eviction notices.

Date: 7 November 2024

Author: Housing and Welfare Manager

Purpose

An overview of the current homelessness situation in the Borough and the impact of Section 21 notices.

1 Background

- 1.1 A Section 21 notice is the legal pathway a private landlord can pursue to evict a tenant who has an assured shorthold tenancy. Essentially a Section 21 Notice is a way of asking a tenant to vacate the property after the end of their fixed term, while providing them a period of notice.
- 1.2 A landlord also does not need to give a reason or grounds for seeking possession but where a fixed term tenancy has been granted the landlord cannot start possession proceedings until that tenancy term has ended.
- 1.3 A landlord must use a prescribed form to serve the notice. This is a mandatory requirement since 1 October 2018. A landlord is not required to serve a section 21 notice to the tenant in any specific way but if the tenant does not acknowledge service, a landlord must prove that the notice was served.
- 1.4 The standard notice period for a Section 21 notice is currently two months
- 1.5 A Section 21 notice cannot be issued where: -
 - it's less than 4 months since the tenancy started, or the fixed term has not ended, unless there's a clause in the contract which allows the landlord to do this
 - the property is categorised as a [house in multiple occupation](#) (HMO) and does not have a HMO licence from the council
 - the tenancy started after April 2007 and the landlord put the tenants' deposit in a [deposit protection scheme](#)

- the council has served an improvement notice on the property in the last 6 months
- the council has served a notice in the last 6 months that says it will do emergency works on the property
- The landlord has not repaid any unlawful fees or deposits that they charged the tenant - [Tenant Fees Act 2019](#)

A landlord cannot use a Section 21 notice if they have not given the tenants copies of:

- the property's [Energy Performance Certificate](#)
- the government's ['How to rent' guide](#)
- a current [gas safety certificate](#) for the property, if gas is installed

The landlord must have given their tenants the gas safety certificate and the 'How to rent' guide before they moved in.

The landlord must have given their tenants a copy of the property's Energy Performance Certificate before they rented the property.

- 1.6 Under the Homeless Reduction Act 2017 anyone who is threatened with homelessness may approach their local council for support. The Council will work closely with the tenant and landlord to establish why a notice has been served and if possible, try and find a resolution which would result in the tenancy being saved and stop the eviction from occurring.
- 1.7 The tenant can make a homeless application to their local Council for assistance. The Housing Options Team will need to determine whether a valid notice has been served and work with the tenant directly to provide guidance and advice. Additionally, a bespoke personal housing plan will be created setting out the Councils and tenants plan of action with the aim of preventing the household from becoming homeless.
- 1.8 A tenant can choose to stay in their current accommodation until the eviction is processed through the courts however the Council cannot insist they do this, and should they choose to leave, temporary accommodation may need to be provided to priority need groups such as families and people with medical needs. The Council owns and leases several properties in the Borough that are used for temporary accommodation. The Council also uses bed and breakfast and other nightly charged accommodation for placements.
- 1.9 The number of homeless applications the Council receives each year is increasing. Households are becoming homeless for many different reasons with Section 21 notices being the second most common occurrence in the Borough.

Renters Rights Bill

Once enacted, the Renters Rights Bill will seek to reform the regulation of the private rented sector and is intended to “give greater rights and protections to people renting their homes, including by abolishing section 21 'no fault' evictions. The bill clarifies and expands grounds for possession, while ensuring tenants are protected from arbitrary eviction and given enough time to find a new home.

The bill introduces new protections for tenants who temporarily fall into rent arrears, increasing the mandatory threshold for eviction from 2 to 3 months' arrears and increase the notice period from 2 weeks to 4. This will allow tenants more time to repay arrears and remain in their homes, while ensuring landlords do not face unsustainable costs.

Last year alone, nearly 26,000 households faced homelessness because of Section 21 eviction resulting in them having to visit their local council for support. The Bill seeks to give 11 million private renters immediate security and assurance so they can stay in their homes for longer and build lives in their communities.

In Gedling, landlords issuing a Section 21 notice is the second highest cause of homelessness, so locally the introduction of the Bill could reduce the numbers of homeless presenting to the Council. In the last 12 months the Council has received 152 homeless enquiries specifically citing that the assured shorthold tenancies were being ended by their landlord.

The main changes include: -

- **Abolish section 21 evictions** and move to a simpler tenancy structure where all assured tenancies are periodic, providing more security for tenants and empowering them to challenge poor practice and unfair rent increases without fear of eviction.
- **Ensure possession grounds are fair to both parties**, giving tenants more security, while ensuring landlords can recover their property when reasonable. The bill introduces new safeguards for tenants, giving them more time to find a home if landlords evict to move in or sell, and ensuring unscrupulous landlords cannot misuse grounds.
- **Provide stronger protections against backdoor eviction** by ensuring tenants are able to appeal excessive above-market rents which are purely designed to force them out. As now, landlords will still be able to increase rents once a year to market price for their properties and an independent tribunal will make a judgement on this, if needed.

- **Introduce a new Private Rented Sector Landlord Ombudsman** that will provide quick, fair, impartial and binding resolution for tenants' complaints about their landlord. This will bring tenant-landlord complaint resolution on par with established redress practices for tenants in social housing and consumers of property agent services
- **Create a Private Rented Sector Database** to help landlords understand their legal obligations and demonstrate compliance (giving good landlords confidence in their position), alongside providing better information to tenants to make informed decisions when entering into a tenancy agreement. It will also support local councils, helping them target enforcement activity where it is needed most. Landlords will need to be registered on the database in order to use certain possession grounds.
- **Give tenants strengthened rights to request a pet in the property**, which the landlord must consider and cannot unreasonably refuse. To support this, landlords will be able to require pet insurance to cover any damage to their property
- **Apply the Decent Homes Standard to the private rented sector** to give renters safer, better value homes and remove the blight of poor-quality homes in local communities.
- **Apply 'Awaab's Law' to the sector**, setting clear legal expectations about the timeframes within which landlords in the private rented sector must take action to make homes safe where they contain serious hazards.
- **Make it illegal for landlords and agents to discriminate against prospective tenants in receipt of benefits or with children**, helping to ensure everyone is treated fairly when looking for a place to live.
- **End the practice of rental bidding by prohibiting landlords and agents from asking for or accepting offers above the advertised rent.** Landlords and agents will be required to publish an asking rent for their property, and it will be illegal to accept an offer made above this rate.
- **Strengthen local authority enforcement** by expanding civil penalties, introducing a package of investigatory powers and bringing in a new requirement for local authorities to report on enforcement activity.
- **Strengthen rent repayment orders** by extending them to superior landlords, doubling the maximum penalty and ensuring repeat offenders have to repay the maximum amount.

The Renters Right Bill was introduced into the House of Commons on the 11 September 2024.

On the 9 October 2024 Members of Parliament (MPs) debated the Bill during its second reading. The Bill will now go through to committee stage.

2 Proposal

2.1 None. The Overview and Scrutiny Committee has requested an update on the impact of Section 21 notices and homelessness within the Borough.

3 Alternative Options

3.1 None. The Overview and Scrutiny Committee has requested an update on the impact of Section 21 notices and homelessness within the Borough.

4 Financial Implications

4.1 None. The update will be delivered using existing resources.

5 Legal Implications

5.1 None direct.

6 Equalities Implications

6.1 None direct.

7 Carbon Reduction/Environmental Sustainability Implications

7.1 None direct.

8 Appendices

8.1 Appendix 1 – The Impact of Section 21 eviction notices presentation.

9 Background Papers

9.1 None.

Statutory Officer approval

Approved by:

Date:

On behalf of the Chief Financial Officer

Approved by:

Date:

On behalf of the Monitoring Officer