

Y Pwyllgor Cymunedau, Cydraddoldeb a Llywodraeth Leol/  
Communities, Equality and Local Government Committee  
Bil Rhentu Cartrefi (Cymru)/Renting Homes (Wales) Bill  
Ymateb gan: Cymdeithas Llywodraeth Leol Cymru  
Response from: Welsh Local Government Association

## **Introduction**

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales. The three national park authorities and three fire and rescue authorities are associate members. It seeks to provide representation for local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.

## **General principles of the Renting Homes (Wales) Bill and the need for legislation**

2. The WLGA broadly welcomes the Welsh Government's Renting Homes (Wales) Bill, and has welcomed the opportunity to contribute to the development of the proposals which underpin the Bill along with other stakeholders.
3. The social and private rented sectors are playing an increasingly important role in the housing market. Rented homes play a particularly important part in addressing housing in Wales and we are very pleased that Welsh Government has decided to review and simplify the legal framework for rented accommodation, and the WLGA supports the need for legislation in this area.
4. An important aspect of improving the quality of the private rented sector, and making it a tenure of choice in Wales, is the clarification of the rights and responsibilities of landlords and tenants. We feel that the provisions set out in the Bill will largely achieve this.
5. In particular, the WLGA welcomes and supports:-
  - The simplification of the legal framework which will benefit landlords and tenants;
  - The development of model contracts which will bring together and clarify the rights and responsibilities of tenants and landlords;
  - The requirement for written contracts clearly setting out Key Matters, Fundamental Terms, Supplementary Terms and, where agreed, any appropriate Additional Terms;
  - The opportunity the legislation provides to address some of the complexities and unintended consequences of the current legislative framework; and

- The removal of "Ground 8" giving mandatory possession in cases where tenants of Registered Social Landlords have 2 months rent arrears.
6. We fully support the proposal to introduce a single secure contract for all social housing tenants. This will reduce complexity and the scope for misunderstanding, and will improve equity between tenants of the two social housing sectors. This is consistent with other Welsh Government policies (e.g. rent policy) to better align the two sectors. In basing the secure contract on the current local authority secure tenancy, this ensures that the rights of social housing tenants are "levelled up" and not down, and the rights of existing local authority tenants are protected.
  7. It is entirely appropriate that this equalising of the arrangements between landlords and tenants in the two social housing sectors, including the standardising of possession and eviction arrangements in cases of serious rent arrears
  8. The WLGA welcomes the establishment, for the first time, of a legal framework for supported housing, and takes the view that the provisions within the Bill in this area strike an appropriate balance between ensuring sufficient flexibility, given the particular challenges of the many models of, and settings for, supported housing and the need to ensure adequate security of tenure for some of the most vulnerable tenants. The arrangements in relation to temporary exclusions from supported accommodation and mobility are also welcomed.
  9. However, the WLGA has significant concerns that the provisions in **Part 9 Chapter 5** effectively remove the current moratorium on private sector landlords seeking possession using the "no-fault" grounds during the first 6 months of a tenancy, and this will diminish opportunities for local authorities to use the power to discharge their duties to homeless households by securing accommodation for them in the private rented sector, given the requirement in the Housing (Wales) Act 2014 for the local authority to be satisfied that "the accommodation is likely to be available for occupation by the applicant for a period of at least 6 months."
  10. Removal of the moratorium effectively reduces the rights of tenants in the private rented sector in Wales and undermines efforts to improve the quality of the private rented sector, and to promote it as a tenure of choice.
  11. The main reason for households becoming homeless is loss of accommodation from the private rented sector. This approach will do nothing to reduce or prevent homelessness, and will have resource implications for local authorities and partner agencies as the time taken to achieve positive outcomes for households will be longer, and some households will be required to spend more time in temporary accommodation.

12. We welcome the provisions to simplify and reduce the time taken to deal with the abandonment of a property by the tenant. However, given that there are many legitimate reasons for a tenant to be absent for a period of time – e.g. admission to hospital or visiting/caring for relatives, etc. – it is appropriate to place a clear duty on the landlord to make such enquiries as are necessary to be satisfied that the contract-holder has, in reality, abandoned the property and is not absent for some legitimate reason.
13. The WLGA supports the provisions which will enable 16 and 17 year olds to become contract-holders. There are many instances where it is necessary for a young person to live independently, and we welcome a legal framework which removes any barrier to a young person establishing a home in the rented sector.

**Potential barriers to the implementation of these provisions and whether the Bill takes account of them;**

14. We have not identified any barriers to implementation which have not been taken into account within the Bill.

**Any unintended consequences arising from the Bill?**

15. As described above, it is the view of the WLGA that the removal of the 6 month moratorium effectively reduces the rights of tenants in the private rented sector in Wales and undermines efforts made through the Housing (Wales) Act 2014, and elsewhere within the Renting Homes Bill, to improve the quality of the private rented sector, and to promote it as a tenure of choice. This runs counter to the approach adopted within the Bill to "levelling up" the rights of tenants in the social rented sector.
16. Removing the moratorium does not support efforts to reduce and prevent homelessness, and is likely to hamper the efforts of local authorities and their partners to do so in seeking to fulfil their duties and responsibilities in relation to Part 2 of the Housing (Wales) Act 2014.
17. The Housing (Wales) Act 2014 requires local authorities to be satisfied, when using private sector accommodation to discharge their duties to a household that is either homeless or is threatened with homelessness, that "the accommodation is likely to be available for occupation by the applicant for a period of at least 6 months."
18. By reducing the supply of private rented sector accommodation where the local authority can be satisfied that this is likely to be the case, efforts to prevent homelessness from occurring, or ending a household's homelessness, are likely to take longer, and be more difficult, than would otherwise be the case. Such a scenario will inevitably have resource implications for local

authorities resulting from greater staff input to achieve successful outcomes, and households spending longer periods in temporary accommodation.

19. The main reason for homelessness is loss of accommodation from the private rented sector. By reducing tenants' security in this tenure, we expect that removal of the moratorium could lead to an increase in homelessness.
20. Ending the moratorium runs the risk of sending a clear message that private sector tenants have less security in Wales than is the case in England. This could have the unintended consequence of attracting investment from less desirable private landlords into Wales.
21. Similarly, the clear message to tenants, and prospective tenants, given by removing the moratorium is that there is reduced security in the private rented sector. This is likely to lead to a lack of confidence that other rights will be adequately enforced within the private rented sector, and will work against legislative and non-legislative efforts to make this a popular tenure of choice in the future.

### **Financial implications of the Bill**

22. In addition to the costs for Community Landlords set out in the Regulatory Impact Assessment, there will also be further costs for all local authorities (whether landlords or not) in meeting the training requirements for staff involved with housing advice, housing options and housing enforcement, in order to ensure that the changes to the legal framework are fully understood and that anyone approaching a local authority for advice or support in relation to their housing circumstances receives the most appropriate help or advice. Additional costs associated with longer periods in temporary accommodation, as described above, for homeless households are also not identified within the Regulatory Impact Assessment.